

Department of Solid Waste Management

A DEPARTMENT OF MIAMI-DADE COUNTY, FLORIDA

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

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Comprehensive Annual Financial Report

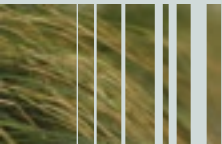
For the Fiscal Year Ended September 30, 2004

Department of Solid Waste Management

A DEPARTMENT OF MIAMI-DADE COUNTY, FLORIDA

Prepared by the Accounting Division

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Mission Statement

Provide solid waste

services and facilities that support beneficial land use and growth patterns and economically promote public health, sanitation, environmental protection and operational efficiency, based on an equitable funding solution.

TABLE OF CONTENTS

INTRODUCTORY SECTION

Board of County Commissioners	vi
Letter of Transmittal	vii
GFOA Certificate of Achievement	xxi
Organizational Chart	xxii

FINANCIAL SECTION

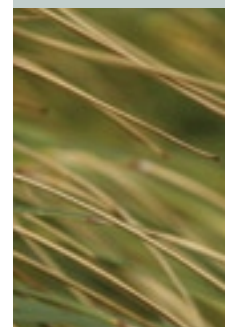
Independent Auditor's Report	2
Management's Discussion and Analysis	4
Financial Statements	
Statements of Net Assets	22
Statements of Revenues, Expenses and Changes in Net Assets	23
Statements of Cash Flows	24
Notes to Financial Statements	26

SUPPLEMENTARY FINANCIAL SECTION

Waste Disposal System	
Supplemental Schedules of Net Assets	46
Supplemental Schedules of Revenues and Expenses	47
Waste Collection System	
Supplemental Schedules of Net Assets	48
Supplemental Schedules of Revenues and Expenses	49

STATISTICAL SECTION

I Revenues & Expenses — Last 10 Years	52
II Definitions	53
IIIA/B Disposal System Tonnages	55
IVA/B Collection System Tonnages	57
V Collection System — Customer Statistics	59
VI Revenue by Type	60
VII Resources Recovery—Electrical Revenues	61
VIII Home Chemical Collection Program	62
IX Population Statistics	63
X Facilities & Service Area Map	64
XI Insurance in Force	65
XII Debt Service Coverage—Last 10 Years	66
XIII Major Contracts and Agreements—Operating	67
XIV Major Disposal Delivery Agreements	68





INTRODUCTORY SECTION

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BOARD OF COUNTY COMMISSIONERS



Barbara J. Jordan
District 1



Dorrin D. Rolle
District 2



Barbara Carey-Shuler, Ed.D.
District 3



Sally A. Heyman
District 4



Bruno A. Barreiro
District 5



Rebeca Sosa
District 6



Carlos A. Gimenez
District 7



Katy Sorenson
District 8



Dennis C. Moss
Vice-Chairman
District 9



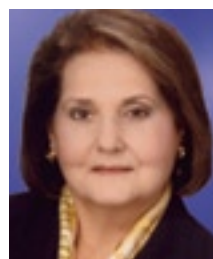
Sen. Javier D. Souto
District 10



Joe A. Martinez
Chairman
District 11



Jose "Pepe" Diaz
District 12



Natacha Seijas
District 13



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December 29, 2004

The Honorable Carlos Alvarez, Mayor

The Honorable Chairperson and
Members Board of County Commissioners

Mr. George M. Burgess
County Manager

Mr. Harvey Ruvin, Clerk
Board of County Commissioners
Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (the "Report") from the Department of Solid Waste Management (the "Department"/"DSWM") for the fiscal year ended September 30, 2004 is hereby submitted. This report is published in accordance with Florida Statutes and the resolution covering the issuance of indebtedness by the Department. Pursuant to those requirements, we have issued this comprehensive annual financial report of the Department presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by a firm of licensed certified public accountants.

This report consists of Management's representations concerning the finances of the Department. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Department's management has established a comprehensive internal control framework that is designed both to protect the Department's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Department's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Department's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Department's financial statements have been audited by Ernst & Young LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Department for the fiscal year ended September 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and

Delivering Excellence Every Day
COUNTY

significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Department's financial statements for the fiscal year ended September 30, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this Comprehensive Annual Financial Report.

The independent audit of the financial statements of the Department was part of a broader, federally mandated Single Audit of Miami-Dade County, Florida (the "County"/"Miami-Dade") designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Miami-Dade County, Florida's separately issued Single Audit Report.

This Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. This Introductory Section incorporates the transmittal letters and the organizational chart. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Department's MD&A can be found immediately following the report of the independent auditors in the Financial Section, which also includes the Department's combined financial statements and supplemental statements (identified as supplemental schedules) for its waste disposal and waste collection systems. The Statistical Section is comprised of selected financial and demographic information, presented on a multi-year basis.

PROFILE OF THE DEPARTMENT OF SOLID WASTE MANAGEMENT

The Department

In January 1989, the Board passed Administrative Order 9-1 creating the Metropolitan Dade County Department of Solid Waste Management (now the Miami-Dade County Department of Solid Waste Management), by merging the Department of Solid Waste Collection and the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department of Solid Waste Management's principal responsibilities may be categorized as: (1) collection, (2) transfer, (3) disposal and (4) recycling of municipal solid waste.

The Department primarily provides solid waste services to single-family residential units (including certain multi-family units such as duplexes) and a small number of commercial and multi-family accounts in the unincorporated portions of the County. The Department has entered into long-term interlocal agreements with 18 municipalities to provide solid waste disposal services. It also provides solid waste collection services to the City of Aventura, the City of Doral, the City of Miami Gardens, the City of Sunny Isles Beach, the City of Sweetwater, the Town of Miami Lakes,



the Village of Palmetto Bay and the Village of Pinecrest.

The Department is responsible for the operation of a variety of facilities, including Resources Recovery (waste-to-energy facility), landfills, transfer stations and neighborhood Trash & Recycling Centers. The Department is also responsible for meeting the State's countywide environmental compliance objectives, such as the State's 30% waste reduction goal, which is achieved primarily through recycling.

The System

The System comprises: (a) all property, real and personal now or in the future owned, leased (as lessor or lessee), operated or used by the County in providing the services of collecting, transferring, disposing and recycling of solid waste. This property includes the County's solid waste collection, transfer, disposal and recycling facilities and all improvements, including all buildings, fixtures, equipment, and (b) contracts entered into by the County for the collection, transfer, disposal and recycling of solid waste.

The System does not include, at the option of the County, any solid waste system facility or equipment which may be acquired by the County subsequent to the date of the Original Ordinance and designated by the County as a "Separate System" on or prior to the date of acquisition.

The Department's Disposal Fund and Collection Fund

Individual fund financial statements for the disposal and collection funds are included in this report under Supplementary Financial Information. Because the Solid Waste System includes all properties, operations and obligations of the Department, the Management's Discussion and Analysis on a combined basis ("on the System as a whole") presented in the Financial Section of this report provides more meaningful information than on an individual fund basis.

Operations, Facilities and Regulatory Responsibilities

Operations

The residential garbage collection program provides twice weekly garbage collection for residential units in unincorporated Miami-Dade County, the City of Sweetwater under an interlocal agreement, the Village of Pinecrest, the City of Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens and the City of Doral (all these pursuant to Ordinance No. 96-30), and the City of Aventura. Commercial and multi-family residential establishments may contract with the Department for collection services; the multi-family curbside garbage service provides for twice per week garbage collection.

The Department provides two types of residential container service: "manual residential container service " and "automated residential container service". The manual residential container service provides unlimited set-out of bundled tree limbs



(four (4) feet in length or under; no single item over 50 pounds), bags or containers which are serviced by the garbage collection service. The automated residential container service provides limited set-out utilizing a county provided 96-gallon container. The residential customer may purchase additional containers or request smaller containers for their use. All materials must be placed within the containers and the lids must be closed in order to be serviced by the automated garbage collection vehicle.

The Department's residential service also includes access to any of the 14 trash and recycling centers ("T&R Centers") located throughout the unincorporated portion of the County. On an annual basis, residents can also request two additional pickups of up to 25 cubic yards each or combine the two additional pickups into one pickup of 50 cubic yards, if needed. Curbside collection of bulky waste for commercial accounts is available for an additional fee.

The residential recycling collection program provides for once per week curbside collection of recyclables. This activity reflects the costs of the recycling program including collection, processing, promotion, administration and marketing of recyclables.

There are two types of commercial collection services: "commercial minimum collection service" and "commercial container service". The commercial minimum collection service provides for twice per week service, limited to two (2) garbage cans or plastic bags per collection, per waste unit charged. The commercial container service provides for uncompacted rollaway container service with a varying number of pickups and container sizes.

The Department is responsible for operation and management of the County-owned solid waste disposal facilities with the exception of the Resources Recovery Facility, which is operated under a long-term agreement with Montenay-Dade, Ltd.

A portion of the solid waste generated in the County is delivered to the County's transfer stations by the Department, municipal and private collection vehicles, where it is reloaded into large transfer trailers for transportation to one of the County's three disposal sites or contracted private disposal facilities. The transfer stations were designed to serve several purposes within the overall System.

These include the following:

- Reduce travel distance and transport time for waste collection vehicles.
- Reduce waiting time and traffic congestion at the Department's disposal facilities.
- Allow for system operating flexibility by providing short-term storage capacity for solid waste prior to disposal.
- Enable the Department to comply with its various waste delivery obligations without directing municipal or private haulers to specific disposal facilities.

The Department of Solid Waste Management is responsible for enforcing Chapter 15 of the Miami-Dade County Code. This gives the DSWM the authority to regulate



matters of illegal dumping and other aspects of solid waste collection and disposal. In fiscal year 2004 the DSWM's Enforcement Division initiatives included, but were not limited to, community outreach, commercial outreach with regards to litter and insufficient garbage service, and enforcement of solid waste violations such as illegal dumping, unscheduled trash on the right-of-way, debris in front of vacant residences, vacant lots, and overflowing dumpsters. The presence of Residential/Commercial Enforcement Officers in the neighborhoods has had a significant impact on the aesthetics of the communities.

During the fiscal year 2004, the Residential/Commercial Enforcement Officers visited 556 businesses distributing brochures concerning litter at their places of business. The officers also completed 5 commercial enforcement sweeps and issued 351 Warning Notices of Violation for uncontainerized waste, insufficient waste service, or no waste service violations at commercial establishments.

The Residential/Commercial Enforcement Officers continue to be proactive in addressing the issue of trash on the right-of-way at vacant lots, making the vacant lot owner responsible for the trash, provided that they had not previously reported it as illegal dumping. The Division was able to reduce the number of Operation Vacuum Clean-ups (OVC's) over the fiscal year 2003 by 36%, where the cost of the clean up is no longer the responsibility of the DSWM, but that of the landowner.

The Residential/Commercial Enforcement Officers continue to work cooperatively with other enforcement agencies within Miami-Dade County. They regularly conduct code enforcement sweeps with Miami-Dade Police Department's Environmental Investigations Unit (EIU), Team Metro, Department of Environmental Resources Management (DERM), the Health Department and others. The Enforcement Officers work closely with EIU and utilize convicted illegal dumpers to clear litter and debris from some of the County's illegal dumping areas. The Residential/Commercial Officers are also engaged in community outreach by way of attending various Community Council Meetings, Homeowner Association meetings as well as participating in Team Metro's University program.

The Enforcement Officers assigned to the Department's three main disposal facilities (North Dade Landfill, South Dade Landfill and Resources Recovery) work closely with our Environmental Compliance Division, the Health Department, EIU, DERM and others to control the types of material entering our facilities, making certain that unpermitted haulers are caught and brought into the Department's permitting system.

The Department is committed to pursuing allowable, cost-effective programs and activities that have positive environmental impacts.

During fiscal year 2004, it continued its project to optimize operation of equipment on the boilers at the Resources Recovery Facility, which are designed to meet the Clean Air Act standards, established by the United States Environmental Protection Agency (USEPA). The plant achieved an overall compliance with the CO standard of over 99%. This represents one violation among the four boilers for the entire year; however, the Operator received five Warning Letters from the Florida Department of Environmental Protection (FDEP) for violations alleged to have occurred during FY 2004 or earlier. Warning Letter WL04-0007AS13SED was issued February 24, 2004



and alleged circumvention of the pollution control system via a breach in the water wall fabric of Boiler #3. The operator and FDEP have agreed to resolve the penalty of \$8,500 and \$250 in administrative costs via implementation of an approved Pollution Prevention (P2) project in lieu of penalties and entry into a short form consent order. Warning letter WL04-0024AS13SED was issued October 15, 2004 for an April 2, 2004 CO exceedence in Boiler 2. This has been agreed to be resolved through implementation of a P2 project in lieu of a \$7,500 penalty. Three other warning letters are currently under negotiation and pending resolution with the agency. They are: WL04-0018AS13SED issued October 21, 2004 alleging violation of the Hydrogen Chloride and Dioxin/Furans standards during the stack test of Boiler 1, which was conducted December 14 through 18, 2003; WL04-0033AS13SED issued January 3, 2005 for failure to report all non-compliance items in the Statement of Compliance for 2003 and which proposes a \$500 penalty plus \$150 administrative fee; and WL05-0001AS13SED issued January 11, 2005 alleging CO Emissions greater than allowed per quarter for calendar years 2002, 2003 and 2004.

Significant environmental programs such as groundwater monitoring, wetlands monitoring, exotics control and maintenance of the restored coastal and freshwater wetlands associated with the South Dade Landfill, Old South Dade Landfill, 58th Street Landfill, Ojus and the Resources Recovery Ashfill continued in fiscal year 2004.

Significant activities associated with the groundwater remediation systems occurred during 2004. Warranty repairs were conducted and confirmatory testing, sampling and re-acceptance of the groundwater treatment facility at Old South Dade Landfill were completed in December 2004. The Groundwater remediation and interception system at the South Dade Landfill was extended along the south perimeter of Cells 1 and 2 to enhance the capture of contaminants by the system.

A contract was awarded to operate and maintain the landfill gas control systems at both North Dade and South Dade Landfills. Each system achieved an excellent availability with continuous operation except for minor interruptions due primarily to area-wide power outages.

The Department's waste reduction and recycling programs are designed to reduce waste generation and maximize recyclable material recovery to achieve the State of Florida's 30% recycling goal. The Department continues to provide recycling programs that target all waste generators. The Department's waste reduction programs include programs for home chemical collection, electronic recycling and a recyclable materials procurement policy that requires all County Departments to use recycled and recyclable materials where feasible. Recycling highlights include the recycling of approximately 39,000 tons of aluminum, ferrous and non-ferrous metal recovered at the Resources Recovery Facility. In addition, drop-off programs at neighborhood Trash and Recycling Centers contributed approximately 6,400 tons.

The Department's Home Chemical Collection (HC2) Center is the only permanent center in Miami-Dade County for residents to dispose of small quantities of chemical wastes typically generated by a household. It is dedicated to the collection of these wastes and is operated by trained personnel from EQ Florida, the County's current home chemical waste disposal vendor. Additionally, the Center can be operated by trained personnel from the Department's Environmental Compliance Division should the need arise. Materials received are sorted according to flammability, toxicity and



corrosiveness, and then stored at the Center for packaging, transport and disposal by an appropriate hazardous waste disposal vendor (currently EQ Florida). During fiscal year 2004, at the Home Chemical Collection Center and mobile events, Miami-Dade residents safely disposed of 103,564 pounds of hazardous wastes and 72,884 pounds of latex paint, which were collected at the Center. Additionally, residents were able to dispose of household batteries (e.g. Ni-Cd, alkaline, silver, mercury, metal hydride) by participating in the Department's Curbside Battery Recycling Program. They also disposed of 18,811 gallons of used oil by means of the Used Oil Collection sites at three different Trash and Recycling Centers (Moody Drive, Golden Glades and Snapper Creek) and the HC2 Center. During fiscal year 2004, the Department conducted mobile events at the following sites FIU-North Campus, Miami-Dade Community College – South Campus, and the City of Homestead Solid Waste Operations facility. Lastly, 769,739 pounds of electronic waste, such as CPUs, computer monitors, TVs, et cetera (collectively termed "e-waste"), were managed through a pilot program conducted at seven Trash and Recycling Centers and the HC2 Center.

The Department delivered trash to the County's Resources Recovery Facility to be converted into a marketable biomass fuel. The Recyclable Trash Improvement (RTI) plant has a capacity of 270,000 tons per year. This biomass fuel product is used to power a co-generation facility in the City of South Bay, Florida. Since November 2001 biomass fuel is also delivered to a new customer, Ridge Energy in Auborndale, Florida.

The annual amount of biomass fuel produced using the RTI system is contingent upon the facilities' demand for this fuel product. The recyclable trash delivered to the Resources Recovery Facility during fiscal year 2004 was 270,000 tons, which is the minimum required by the contract. The plant is expected to continue at full capacity during fiscal year 2005.

Facilities

Disposal Facilities. The active elements of the solid waste disposal system are the following:

- Resources Recovery Facility owned by the County and operated under a Management Agreement with Montenay-Dade, Ltd., an affiliate of Montenay Power Corp
- South Dade Landfill, a Class I garbage landfill owned and operated by the County.
- North Dade Landfill, a Class III trash-only landfill owned and operated by the County.
- Ash Landfill owned and operated by the County and located at the Resources Recovery Facility for the final disposition of ash produced by the Resources Recovery process.



- Contract disposal capacity at the Waste Management Landfill located in the Town of Medley, Florida (the "Medley Landfill") or the Central Disposal Facility located in Pompano Beach, Florida (Broward County) owned and operated by Waste Management.

Landfills:

The Department operates three landfills: the South Dade Landfill, the North Dade Landfill and the Ash Landfill. The South Dade Landfill is permitted to accept garbage, trash and special wastes such as asbestos, sterile medical wastes, sewage sludge, shredded tires, pathological waste (dead animals), ash and contaminated soil. The North Dade Landfill is permitted to accept only waste that is not expected to produce leachate which poses a threat to public health or the environment, such as trash, yard trash, shredded tires, and construction/demolition debris. The Ash Landfill, which is located at the Resources Recovery Facility, accepts the ash from this facility and some ash from the co-generation facility in the City of South Bay.

Transfer Facilities. The regional transfer facilities are an essential part of the County's integrated solid waste management system, increasing the efficiency of disposal of solid waste generated in the incorporated and unincorporated areas of the County.

The County operates three regional transfer stations: (1) the Northeast Transfer Station, located at 18701 N.E. 6th Avenue west of North Miami Beach; (2) the West Transfer Station, located at 2800 S.W. 72nd Avenue; and (3) the Central Transfer Station, located at 1150 N.W. 20th Street, Miami, Florida. The transfer stations are strategically located throughout the County and are referred to by location as the Northeast Transfer Station, West Transfer Station and Central Transfer Station.

In addition to the three regional transfer stations, the Department has ongoing transfer operations at the Resources Recovery Facility, North Dade and South Dade Landfills for the transport of waste and waste derived by-products, such as yard trash, tires, rejects, non-processables, process unders, etc., between facilities.

Regulatory Responsibilities

In accordance with the 1985 State of Florida Growth Management Act, the Department must plan for providing a specific level of solid waste service, a process generally referred to as "concurrency." Under the 1988 State of Florida Solid Waste Management Act, as amended, and certain provisions of the Florida Administrative Code, the Department is responsible for planning to ensure that disposal needs are met in both the incorporated and the unincorporated areas of the County. The County's System, which includes County-owned solid waste disposal facilities and those operated under contract with the County for disposal, must collectively maintain a solid waste disposal capacity sufficient to accommodate waste flows committed to the System through long-term interlocal agreements or contracts with municipalities and private waste haulers, and anticipated non-committed waste flows, for a minimum of five (5) years.



The County is required by the United States Environmental Protection Agency (USEPA) to close and perform postclosure care for its landfills in compliance with current regulations. Along with stringent regulations for “capping” and closing landfills, postclosure care of the site is mandated for 30 years after the closure is accepted by USEPA. Currently, the County is designing and constructing landfill cell closures in compliance with the Florida Department of Environmental Protection (FDEP) closure program, which has been accepted by the USEPA. During fiscal year 2004, the Department continued its construction and environmental remediation programs for closed landfills.

Budgetary Control

In accordance with the State of Florida Statutes the County prepares, approves, adopts and executes an annual budget for such funds as may be required by law or by sound financial practices. The Board of County Commissioners approves the Department's annual budget for current expenses and capital outlays. The budgets are adopted on a basis consistent with GAAP, except no amounts are provided for depreciation, amortization and depletion. Budgets are monitored at various levels of classification details within the Department. Expenses at the fund level may not legally exceed the budgeted appropriation.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Last year's ECONOMIC CONDITION AND OUTLOOK ended with the view that fiscal year 2004 would be a strong year with respect to the overall economy. Essentially, this forecast proved to be accurate, as the national economy had the strongest showing in five years with a 4.4 percent growth. For Miami-Dade's economy, the immediate past year was a period marked by solid performance of most leading economic indicators. This was especially true for international trade, the visitor industry, and real estate. With the exception of a few indicators there were positive developments in virtually every other sector of the economy.

Activity levels achieved in the visitor industry and international trade and commerce, two of the County's economic drivers, were very high and registered a very good performance approaching the records set in prior years. An improving economic situation in Europe and Latin America and a weakened dollar continued to provide favorable influences on the number of international visitors and the volume of exports. While total employment grew at a moderate pace, on the labor force front, the best news was the continued reduction in the unemployment rate. Unfortunately, the unemployment rates for the County were not on par with the same rates for the state and the nation. As will be shown below, the year closed with several bright spots that may bode well for the future at a time when the national economy continues to expand.

In fiscal year 2004, nonagricultural wage and salary employment averaged 1,010,400 compared to 1,003,200 the previous year. About 7,200 jobs were added during the year, identical to fiscal year 2003 (a 0.7 percent gain). The unemployment rate



declined almost a full percentage point, averaging 6.5 percent for the year compared to 7.4 percent in 2003.

Along with the gains in total employment, over 1,200 new business establishments of all types were recorded during fiscal year 2004, a 1.5 percent increase over the year 2003. At the same time, the 2004 median family income increased by \$1,600 to reach \$45,400, a 3.7 percent advance from the prior year.

In Miami-Dade the real estate sector is viewed as a vital measure of the County's economic health. In fiscal year 2004, the market for home sales surged to levels not seen in a decade. During the first nine months of the year sales of new single-family homes experienced a significant gain of 45.9 percent, while sales in existing homes showed similar gains at 15.5 percent from the same period in 2003. In a similar fashion, sales of new multifamily type units such as condos increased by 43.4 percent in the first nine months of the year, while sales in existing condos improved by 27.2 percent from a year earlier. Generally, this upward trend can be attributed somewhat to the stable or slightly falling mortgage rates which allow more people to purchase homes, or perhaps to a large foreign buyer investment.

Compared to the residential market, the commercial real estate market performed at a slight slower pace of growth. Existing office space (square footage) decreased from 41.3 million to 41.1 million or 0.4 percent decline from 2003. At the same time, the overall office vacancy rate improved with a decline from 17.9 percent to 15.8 percent.

Consumer activity, as measured by taxable sales, was on the plus side in fiscal year 2004 probably reflecting a higher level of confidence on the part of the consumer. Total taxable sales increased by 7.7 percent. As was true in fiscal 2003, this indicator in Miami-Dade was slightly below the statewide average.

Trade and commerce reported a volume of merchandise trade through the Miami Customs District (52) approaching \$59 billion. This represents a 10.7 percent increase in total trade in contrast with the 4.2 percent gain in 2003.

South Florida's warm climate and sub-tropical environment have made it a very popular tourism destination. As a result of this, visitation to the Miami-Dade area has grown over the years and become a popular tourism destination, which is the basis for multi-billion dollar economic activity. Additionally, its proximity to the Caribbean and Latin America has also contributed to the growth in visitors. Fiscal year 2004 proved to be a very good year for tourism. For the third consecutive year, an increase in tourism was reported, with a visitor growth of 4.9 percent to the Miami-Dade area.

After a year of good results, the future economic outlook for fiscal 2005 looks reasonably positive with good prospects for Miami-Dade County. This is the consensus of most analysts and economists who are fairly optimistic regarding Miami-Dade's economy in the year to come.

This positive outlook is firmly grounded in the area's strengths in tourism and trade. As the economies of its major trading partners, such as Brazil, Argentina, and Venezuela continue to rebound from the downturns in recent years, many of the indicators associated with these two sectors will further improve and this would be helpful to the local economy.



For the important segments of this economy, such as real estate, consumer spending, and merchandise trade, predictions call for continued job growth but at somewhat smaller gains in the coming year. Based on the U.S. economic strength, the number of employed workers is expected to advance modestly but at a solid pace and there is anticipation that unemployment will be lower. The real estate boom looks to extend its run although housing sales could taper off a bit as mortgage rates are expected to rise. State and local public infrastructure construction projects are factors that will keep construction employment at least at current levels. Expenditures related to the \$2.0 billion bond authorization recently approved by voters, as well as the Civic Center redevelopment, are projects promising to enhance the area's economic growth. Consumer spending and business investment are expected to be solid. A number of consumer incentives, such as stable mortgage rates near historic lows and decelerated consumer prices, are in place and will encourage spending. Volume levels in merchandise trade are most likely to continue on an upward path as they depend on the growth of the U.S. economy, U.S. exports to Latin America, and the expected economic improvement of the region. Although the prospects appear reasonably good for 2005, close attention to concerns affecting the Miami-Dade economy, such as a relatively high unemployment rate, slow growth in personal income, higher housing prices, a weak public education system, and a relatively unskilled workforce coupled with a poor mix of jobs in terms of wages and salaries need to be addressed. Local politicians and business leaders are attempting to deal with these issues and provide solutions through continued efforts to reform and reshape the local economy.

In summary, fiscal year 2005 is foreseen as a good year but not necessarily a return to boom times for Miami-Dade County and its most vital industries, including trade, tourism, and real estate. Economic expansion should continue at a respectable pace in a similar or a bit slower fashion to the growth experienced in 2004.

For the Department fiscal year 2005 should experience slightly increased demand for waste collection services based on population growth and the pace of new housing starts for the unincorporated area of the County. Projected equivalent disposal revenue tons into the Disposal System are projected to remain steady as a function of the Department's long-term inter-local agreements with the municipalities and long-term contracts with private haulers.

Long-term Financial Planning

The fiscal year 2005 Adopted Capital Budget and Multi-Year Capital Plan, as amended, is programmed to require \$117.6 million over the next five fiscal years. These projects include approximately \$16.4 million in groundwater remediation, closure and other environmental projects at the Department's facilities, \$4.1 million for the additional retrofit of the Resources Recovery Facility, \$13.0 million in collection and disposal facility improvements, which include landfill cell construction and transfer station improvements and approximately \$84.1 million for certain municipal landfill closure grants. These programs will be funded with operating funds coupled with debt proceeds, when necessary.



On February 1, 2005, the Board of County Commissioners of Miami-Dade County, Florida approved an Ordinance authorizing the issuance of Miami-Dade County, Florida Solid Waste System Revenue Bonds in aggregate principal amount not to exceed \$150 million. The Department plans for a Series 2005 bond issuance in an amount not to exceed \$75 million, a Series 2008 for an anticipated par amount of \$20 million, a Series 2012 for an anticipated par amount of \$40 million and a Series 2017 for an anticipated par amount of \$15 million.

In addition, on February 1, 2005, the Board of County Commissioners also adopted a resolution authorizing the issuance of Miami-Dade County, Florida Solid Waste System Revenue Bonds, Series 2005 Bonds (the "Series 2005 Bonds"), in aggregate principal amount not to exceed \$75 million. This Series 2005 Bonds is for the purposes of (i) paying or reimbursing the County for the costs of certain solid waste disposal projects (such as closure of former Munisport landfill located in the City of North Miami \$31.027 million; closure of former municipal landfill located in the City of Homestead \$7.5 million; closure of Cell Three located at the South Miami-Dade Landfill \$6.708 million; closure of former Virginia Key Landfill located in City of Miami, Phase 1 \$27.635 million; closure study of former Virginia Key landfill located in City of Miami \$650,000; and construction of groundwater remediation project at the North Miami-Dade Landfill \$1.48 million), (ii) providing for the funding of the Reserve Account, including the cost of any Reserve Account Credit Facility as may be deemed advisable and (iii) paying costs of issuance of the Series 2005 Bonds, including, bond insurance policy or reserve account credit facility, if any.

Cash Management Policies and Practices

The Department's unrestricted cash is pooled with the County's unrestricted cash and investments, which are managed by the County's Cash Management Division pursuant to Florida Statutes and resolutions of the Board of County Commissioners. These investments consist of US Government and Agency Securities and Commercial Paper. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are reported at fair value and unrealized gains and losses due to variations in fair value are included in income for the year. The financial statements reflect unrealized gain/ (loss) of approximately (\$123,000) and \$161,000 for fiscal years 2004 and 2003, respectively.



The investment performance for fiscal years 2004 and 2003 is summarized below:

	2004	2003
	(In thousands)	
Average Portfolio Balance	\$ 131,305	\$ 131,988
Average Investment Yield	0.91%	1.48%
Interest Earned	\$ 1,201	\$ 1,958

Risk Management

The Department participates in the County's self-insurance programs for workers' compensation, automobile liability and general liability. Insurance is maintained with independent carriers for all other risks of loss. The Department's financial statements for fiscal year 2004 reflect a current payable to the County's self-insurance fund of approximately \$2.3 million.

Pension

The Department, as an agency of the County, participates in the Florida Retirement System (the "System"/"FRS"), a cost-sharing, multiple-employer public employee retirement plan that covers substantially all of the Department's full-time and part-time employees. The Department contributes a percentage (for fiscal year 2004 estimated at 7.11%) of the Department's covered payroll. For the fiscal year ended September 30, 2004, the Department made 100% of its required contributions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department of Solid Waste Management, a Department of Miami-Dade County, Florida, for its comprehensive annual financial report for the fiscal year ended September 30, 2003. This was the tenth consecutive year that the Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Acknowledgements

This report could not have been prepared on a timely basis without the efficiency and dedication of the Department's Accounting staff. We are grateful to all Department employees who assisted and contributed to its preparation. We thank the County's Finance Department for their assistance and support. We would also wish thank the Mayor and the Miami-Dade County Commission for their continued assistance in enabling the Department to fulfill its role in delivering a highly efficient and effective countywide integrated solid waste system to the community.

Respectfully submitted,



Kathleen Woods-Richardson
Director



Vicente Castro
Deputy Director



Maria Sanchez, CPA
Controller



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Department of Solid Waste
Management, A Department of
Miami-Dade County, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

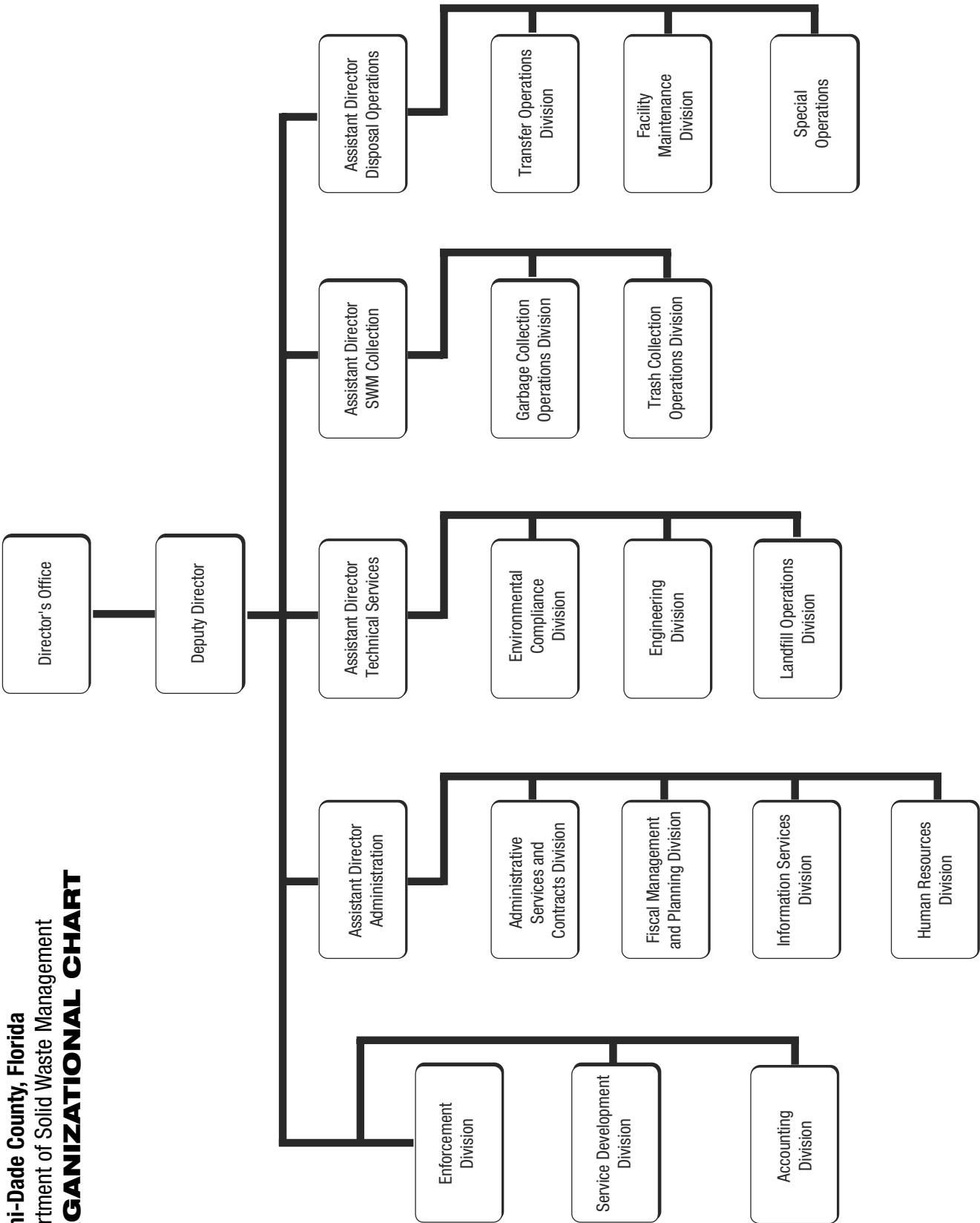
A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



President

Executive Director

Miami-Dade County, Florida
Department of Solid Waste Management
ORGANIZATIONAL CHART



FINANCIAL SECTION

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04





Ernst & Young LLP
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Miami, Florida 33131-5213

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Report of Independent Certified Public Accountants

The Honorable Mayor, and Chairperson and
Members of the Board of County Commissioners
Miami-Dade County, Florida

We have audited the accompanying financial statements of the Miami-Dade County Department of Solid Waste Management (the Department), an enterprise fund of Miami-Dade County, Florida as of and for the years ended September 30, 2004 and 2003, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to above are intended to present the financial position, and the changes in financial position and cash flows of the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida as of September 30, 2004 and 2003, and the changes in its financial position and its cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami-Dade County Department of Solid Waste Management, an enterprise fund of Miami-Dade County, Florida at September 30, 2004 and 2003, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States.



■ Ernst & Young LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2004, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial report or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis section on pages 4 through 21 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Department's financial statements. The introductory section, supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

December 29, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Miami-Dade County, Florida, Department of Solid Waste Management (the "Department", "DSWM") presents the following Management's Discussion and Analysis (MD&A). Our discussion and analysis of the Department's financial performance provide an overview of the Department's financial activities for the fiscal year ended September 30, 2004. The information presented in this MD&A should be considered in conjunction with the information furnished in the Letter of Transmittal included in the Introductory Section, the Department's financial statements in this section and the various summaries of activities and financial performance included in the Supplemental Schedules (supplementary financial information) and the Statistical Section of this report.

HIGHLIGHTS

Financial Highlights

- At September 30, 2004, the assets of the Department exceeded its liabilities by \$119.4 million ("net assets") as compared to \$ 122.8 million at September 30, 2003. Of the total \$119.4 million in net assets as of September 30, 2004, \$94.8 million was invested in capital assets, net of related debt; \$73.7 million was restricted for debt service and reserves; the remaining \$49.1 million negative balance was left as unrestricted net deficit.
- Total net assets decreased by \$3.4 million, reflecting expenses in excess of revenues for the fiscal year ended September 30, 2004.
- For the fiscal year ended September 30, 2004, the Department's operating revenues increased by \$17.8 million.
- For the fiscal year ended September 30, 2004:
 - Operating expenses before depreciation and closure and postclosure care costs for the inactive landfills increased \$5.5 million.
 - Depreciation expense increased \$2.5 million.
 - Closure and postclosure care costs for inactive landfills decreased \$156 thousand.
 - Non-operating expenses net of revenues decreased \$434 thousand.
 - Contributed capital decreased \$973 thousand.
- The Department's total debt decreased by \$8 million during the fiscal year ended September 30, 2004.

Department of Solid Waste Management's Highlights

- During the fiscal year ended September 30, 2004, the Department serviced approximately 300,000 residential units, approximately 3,700 household/commercial accounts and approximately 800 commercial accounts. This represents an overall increase of 2.3% over the fiscal year ended September 30, 2003.
- The annual fee for curbside collection was increased to \$399 per household in fiscal year 2004 from \$349 per household in fiscal year 2003.
- During fiscal year ended September 30, 2004, disposal equivalent revenue tons totaled approximately 1.79 million tons, a 3.7% decrease when compared to the fiscal year ended September 30, 2003.
- The disposal contract tipping fee was \$50.65 per ton during the fiscal year ended September 30, 2004, an increase of 2% over the fiscal year ended September 30, 2003.
- The Department completed \$2 million in capital and landfill closure projects during fiscal year 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section is intended to serve as an introduction to the Department's financial statements with the notes thereto. The notes to the financial statements are essential for a full understanding of the information contained in the financial statements.

The Department's Financial Statements report information about the Department using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. These financial statements include the financial position, results of operations and cash flows of both the Disposal and Collection Systems. The Department maintains two separate proprietary funds, one for each of these systems. Individual fund statements are provided elsewhere in this report.

The Statements of Net Assets include all of the Department's assets and liabilities providing information about the nature and amounts of resources (assets) and obligations to creditors (liabilities) with the difference between the two reported as net assets at September 30, 2004 and 2003, respectively. The increases and decreases in net assets may serve as a valuable indicator of whether the financial position of the Department is improving or deteriorating. These statements also provide the basis for assessing the liquidity and financial flexibility of the Department along with its capital structure.

All of the Department's revenues and expenses are reflected on the Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended September 30, 2004 and September 30, 2003, respectively. These statements measure the level of success by the Department's operations in fiscal years 2004 and 2003, respectively. They can be used to evaluate the Department's profitability and credit worthiness and to determine whether the Department has successfully recovered all its costs through its user fees and other charges.

The Department's Statements of Cash Flows provide information about the Department's cash receipts and cash disbursements during the fiscal years ended September 30, 2004 and 2003, respectively. These statements report sources, uses and net changes in cash resulting from operating, investing, capital and non-capital financing activities.

FINANCIAL ANALYSIS OF THE DEPARTMENT

As previously mentioned, the Statements of Net Assets and the Statements of Revenue, Expenses and Changes in Net Assets reflect information about the Department's activities, which may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. These two set of statements report the net assets of the Department and changes in them. The difference between assets and liabilities is one way to measure financial health or financial position. Over time, increases or decreases in the Department's net assets are one indicator of whether its financial health is improving or deteriorating. In addition, consideration must be given to non-financial factors including but not limited to population growth, economic conditions, changes in regulatory requirements and legislation.

The analysis below focuses on the Department's net assets (Table I) at the end of the fiscal years 2004, 2003 and 2002 and changes in net assets (Table II) during the fiscal years 2004, 2003 and 2002.

The Department's assets exceeded liabilities by \$119.4 million and \$122.8 million at September 30, 2004 and 2003, respectively.

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A summary of the Department's statements of net assets at September 30, (Table I) is shown below:

<p style="text-align: center;">Table I Miami-Dade County, Florida Department of Solid Waste Management NET ASSETS</p>			
	<u>At September 30,</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(In thousands)		
ASSETS			
CURRENT ASSETS			
Total Unrestricted Assets	\$ 50,954	\$ 46,761	\$ 45,107
Restricted Assets			
Total Restricted Assets	<u>93,331</u>	<u>90,514</u>	<u>105,372</u>
Total Current Assets	<u>144,285</u>	<u>137,275</u>	<u>150,479</u>
NON-CURRENT ASSETS			
Total Capital Assets	253,041	273,704	285,463
Total Other Assets	<u>14,096</u>	<u>11,750</u>	<u>13,404</u>
Total Non-Current Assets	<u>267,137</u>	<u>285,454</u>	<u>298,867</u>
TOTAL ASSETS	<u>411,422</u>	<u>422,729</u>	<u>449,346</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Total Payable from Unrestricted Assets	16,841	18,184	17,092
Total Payable from Restricted Assets	<u>16,566</u>	<u>16,474</u>	<u>15,640</u>
Total Current Liabilities	<u>33,407</u>	<u>34,658</u>	<u>32,732</u>
LONG-TERM LIABILITIES			
Total Long-Term Liabilities	<u>258,641</u>	<u>265,305</u>	<u>281,041</u>
TOTAL LIABILITIES	<u>292,048</u>	<u>299,963</u>	<u>313,773</u>
NET ASSETS			
Investment in Capital Assets, net of Related Debt	<u>94,847</u>	<u>107,846</u>	<u>121,693</u>
Restricted	<u>73,663</u>	<u>70,143</u>	<u>72,766</u>
Unrestricted (Deficit)	<u>(49,136)</u>	<u>(55,223)</u>	<u>(58,886)</u>
TOTAL NET ASSETS	<u>\$ 119,374</u>	<u>\$ 122,766</u>	<u>\$ 135,573</u>

As of September 30, 2004, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted the majority (79%) of the Department's net assets. The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to \$94.8 million at September 30, 2004, from \$107.8 million at September 30, 2003. This decrease reflects the combined effects of capital assets additions, lower balances in bond proceeds earmarked for capital assets, capital assets deletions, deductions for the increase in accumulated depreciation and the decrease in the related debt. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 of the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. At September 30, 2004, total restricted net assets amounted to \$73.7 million as compared to \$70.1 million at September 30, 2003. This increase reflects higher balances in the Department's debt service account, groundwater protection receivable account and operating expense reserve fund. Additional information concerning the Department's restricted assets can be found in Note 5 of the financial statements.

The remaining negative balance of \$49.1 million at September 30, 2004, is reported as unrestricted net deficit. This negative balance resulted from the Department's ongoing recognition of the liability for closure and postclosure care costs. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This negative balance decreased from \$55.2 million at September 30, 2003, reflecting the benefits of higher balances in unrestricted current assets and other assets coupled with lower balances in payable from unrestricted assets which were partially offset by higher balances in other long-term liabilities and liability for closure and postclosure care costs at September 30, 2004. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 10 of the financial statements.

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Changes in the Department's net assets can be established upon review of the summary of the Department's statements of revenues, expenses and changes in net assets for the fiscal years ended September 30, (Table II) shown below:

Table II
Miami-Dade County, Florida
Department of Solid Waste Management
CHANGES IN NET ASSETS

	For Fiscal Years Ended		
	September 30,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(In thousands)		
Operating revenues			
Solid waste disposal services	\$ 53,781	\$ 53,235	\$ 52,982
Solid waste collection services	123,224	104,785	100,599
Utility service fees	15,798	14,824	14,528
Electricity sales	16,593	19,195	16,383
Other operating revenues	<u>12,576</u>	<u>12,103</u>	<u>12,062</u>
Total operating revenues	221,972	204,142	196,554
Interest income	1,201	1,958	2,914
Intergovernmental revenue	260	429	181
Other non-operating revenue, net	<u>789</u>	<u>259</u>	
Total Revenues	<u>224,222</u>	<u>206,788</u>	<u>199,649</u>
Operating expenses excluding depreciation and closure & postclosure care costs (recovery) for inactive landfills	190,266	184,791	183,324
Depreciation	27,913	25,356	23,581
Closure & postclosure care costs (recovery) for inactive landfills	642	798	(2,412)
Interest expense	8,793	9,623	9,224
Other non-operating expense, net			<u>607</u>
Total Expenses	<u>227,614</u>	<u>220,568</u>	<u>214,324</u>
Loss Before Capital Contributions	(3,392)	(13,780)	(14,675)
Capital Contributions		<u>973</u>	<u>9,986</u>
Changes in Net Assets	(3,392)	(12,807)	(4,689)
Total Net Assets, beginning of the year	<u>122,766</u>	<u>135,573</u>	<u>140,262</u>
Total Net Assets, end of the year	<u><u>\$ 119,374</u></u>	<u><u>\$ 122,766</u></u>	<u><u>\$ 135,573</u></u>

Total net assets decreased by \$3.4 million in fiscal year 2004.

Historically, operating revenues generated by the System have included solid waste disposal services revenues, solid waste collection services revenues, utility service fees, electrical revenues from the Resources Recovery Facility and other operating revenues. Other operating revenues include disposal facility fees, office rental income, parking facilities revenue, code enforcement fines, permit fees, Unincorporated Municipal Service Area (UMSA) support for the litter program and other miscellaneous income.

Operating revenues increased 8.7% from \$204.1 million in fiscal year 2003 to \$221.9 million in fiscal year 2004, reflecting increases in most operating revenue categories but primarily as a result of higher Solid Waste Collection Services Revenues.

Solid Waste Collection Services Revenues increased 17.6% from \$104.8 million in the fiscal year 2003 to \$123.2 million in the fiscal year 2004. This increase in collection services revenue reflects the combined effect of higher waste collection fees and higher waste collection units serviced in fiscal year 2004 combined with the revenue provided by implementation of the Landscaper Program (resulting in approximately \$2.5 million in revenues for fiscal year 2004, the first fiscal year for the program). This program was designed to alleviate the trash tonnage infiltration into the Collection System through the Neighborhood Trash & Recycling ("T&R") Centers, which contributed to the growth in solid waste collection costs in previous fiscal years. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services increased from fiscal year 2003 to fiscal year 2004, as follows: \$349 per household to \$399 per household for residential curbside collection, \$269 per unit to \$308 per unit for residential dumpster service, the rollaway service increased from the \$187.71-\$760.32 range to the \$214.60-\$869.25 range depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2004, the Department serviced approximately 300,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 800 commercial accounts as compared to approximately 293,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts during the fiscal year ended September 30, 2003.

Utility Service Fee Revenues increased 6.7% to \$15.8 million in fiscal year 2004 from \$14.8 million in the fiscal year ended September 30, 2003. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

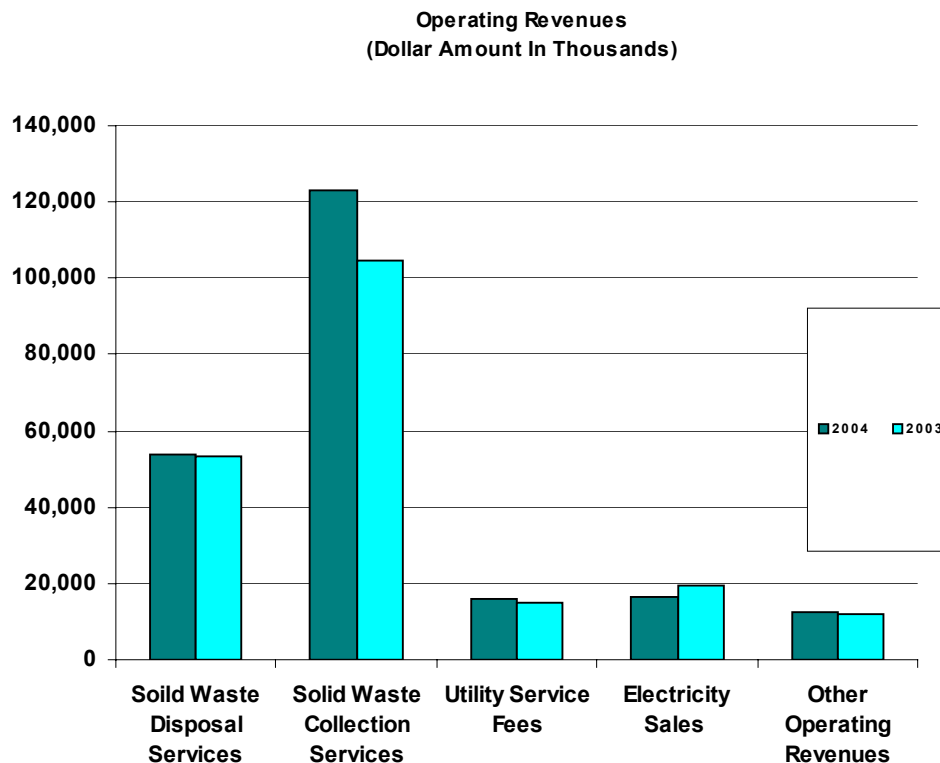
Disposal Services Revenues increased moderately to \$53.8 million in the fiscal year ended September 30, 2004 from \$53.2 million in fiscal year 2003. This increase resulted from higher disposal tipping fees, which were partially offset by lower equivalent revenue tons. Equivalent revenue tons decreased from 1.86 million in the fiscal year ended September 30, 2003 to 1.79 million in fiscal year ended September 30, 2004. The decline in equivalent revenue tons in fiscal year 2004, when compared to fiscal year 2003, is primarily attributed to the landscaper tonnage that left the system upon implementation of the Landscaper Program. Prior to the implementation of the Landscaper Program (fiscal year 2004 was the first year of the Program), the Department was experiencing infiltration of landscaper tonnage (this had an adverse effect on the collection system which had to carry the resulting disposal charges). Once the landscapers were precluded from disposing without having to pay, some of them left the system. Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2003 to fiscal year 2004, as follows: \$49.65 per ton to \$50.65 per ton for contractual customers; from \$65.45 per ton to \$66.80

per ton for non-contractual customers; and from \$9.85 per ton to \$10.05 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Other operating revenues increased to \$12.6 million in fiscal year 2004 from \$12.1 million in fiscal 2003. Other revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees, Unincorporated Municipal Service Area ("UMSA") revenue for litter control and other. The increase resulted from higher Permit and Disposal Facility Fee revenues in fiscal 2004.

Electricity Sales decreased to \$16.5 million in fiscal year 2004 from \$19.2 million in the fiscal year ended September 30, 2003, reflecting the combined effect of lower number of kilowatt hours produced, partially offset by higher capacity payments and energy payment rates. The reduction in kilowatt hours produced (approximately 46,535,000 KWH) resulted primarily from operating interruptions caused by several small fires and a water leak in the cooling tower return line which ultimately caused the plant to shut down for several days. Electrical revenues are generated pursuant to agreements with the Florida Power Corporation ("FPC") and Florida Power and Light Company ("FP&L") for the sale of electricity generated at the Resources Recovery Facility. These revenues from FPC, net of costs to FP&L for services in connection with transmission, interconnection and Doral substation and others, are shared equally with the Facility's Operator.

The following chart shows a comparison of operating revenues by source for the fiscal years ending September 30, 2004 and 2003.



Operating expenses are costs incurred in the operation and maintenance of the System, including the expenses for landfill operations, fees paid to the Resources Recovery Facility Operator for disposal of solid waste at the Resources Recovery Facility, transfer operations, garbage and trash collections, recycling, litter control, facility maintenance, county wide lot clearing, enforcement and environmental compliance and administration. Expenses of the System are paid prior to the payment or provision for payment of the principal and interest on the Department's bonds payable.

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by \$5.5 million to \$190.3 million in fiscal year 2004, from \$184.8 million in fiscal year 2003. The Collection expenses, included in the \$190.3 million total, are reflected net of approximately \$1.2 million in credits (filed for reimbursement from the Federal Emergency Management Agency (FEMA)) pursuant to diversion of operations resulting from clean-up efforts for Hurricane Frances.

The \$5.5 million increase reflects the combined effect of increases in some components partially offset by decreases in others. Increases in transfer operations, garbage collection, landfill & disposal operations, general & administrative, facility maintenance and litter control & countywide lot clearing costs totaling \$12.6 million were partially offset by decreases in trash collection, enforcement & environmental compliance, waste to energy and recycling costs totaling \$7.1 million.

A summary of the Department's Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care Costs for Inactive Landfills for the years ended September 30, 2004 and 2003, respectively, indicating the amount of change is as follows (Table III):

Table III
Miami-Dade County, Florida
Department of Solid Waste Management
Summary of Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills
for the Fiscal Years Ended September 30, 2004 and 2003, respectively, indicating the amount of change.

Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills	<u>2004</u>	<u>2003</u>	Increase/ <u>(Decrease)</u>
	(In thousands)		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	\$ 13,992	\$ 12,375	\$ 1,617
Waste-to-energy	64,748	65,383	(635)
Transfer operations	24,844	17,418	7,426
Garbage collection	34,415	32,518	1,897
Trash collection	13,186	18,429	(5,243)
Recycling	10,175	10,249	(74)
Litter control & County wide lot clearing	1,499	1,450	49
Facility maintenance	1,065	683	382
Enforcement and environmental compliance	6,111	7,303	(1,192)
General and administrative	<u>20,231</u>	<u>18,983</u>	<u>1,248</u>
Total	<u>\$ 190,266</u>	<u>\$ 184,791</u>	<u>\$ 5,475</u>

Certain operating expense components reflect increases, which total \$12.6 million in fiscal 2004 as compared to fiscal 2003. The \$12.6 million increase includes transfer operations increases of \$7.4 million; approximately \$5.6 million of the \$7.4 million increase (in transfer operations) resulted from a reclassification of transportation expenses to transfer operations from trash collection, pursuant to the change in the character of the Trash & Recycling Centers due to the implementation of the Landscaper Program. The balance of the increase in transfer operations along with increases in garbage collection, general & administrative and facility maintenance costs are primarily attributed to higher personnel costs over fiscal year 2003 (approximately 14.5%, reflecting the combined effect of cost of living adjustments (COLA), merit increases and the labor contract). Litter control and countywide lot clearing increases resulted from higher costs (approximately 3%) being supported by DSWM in fiscal year 2004 when compared to fiscal year 2003. The increase in landfill & disposal operations reflects the effects of closure and postclosure cost increases from a \$552 thousand amortization credit in fiscal year 2003 to charges of approximately \$1.4 million in fiscal 2004 (arising from changes in closure and postclosure estimates). Additional information concerning the Department's closure and postclosure care costs for active landfills can be found in Note 10 of the financial statements.

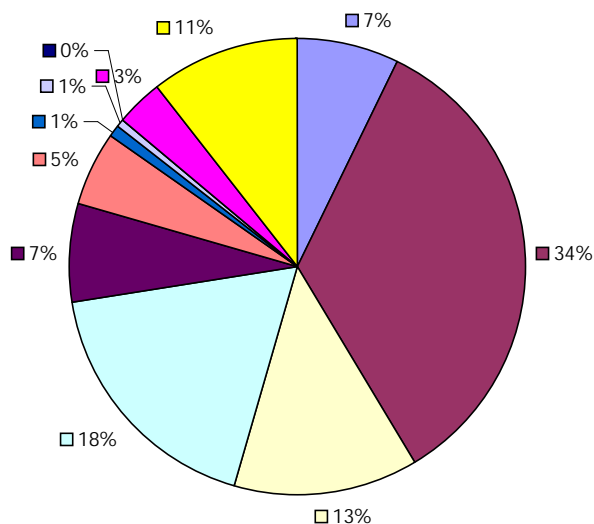
Other operating expense components reflected decreases totaling \$7.1 million in fiscal year 2004 as compared to fiscal year 2003. Approximately \$5.2 million of the total \$7.1 million resulted from decreases in trash collection costs, resulting from the aforementioned \$5.6 million reclassification of transportation expenses from trash collection to transfer operations, which was partially offset by increases in personnel costs (increases in personnel costs reflect the combined effect of cost of living adjustments (COLA), merit increases and the labor contract). The decreases in enforcement & environmental compliance, waste to energy and recycling resulted primarily from lower contractual services (approximately 3%) in fiscal year 2004 when compared to fiscal year 2003.

The following charts show operating expenses before depreciation and costs for closure and postclosure care for inactive landfills for the fiscal years ended September 30, 2004 and 2003, respectively.

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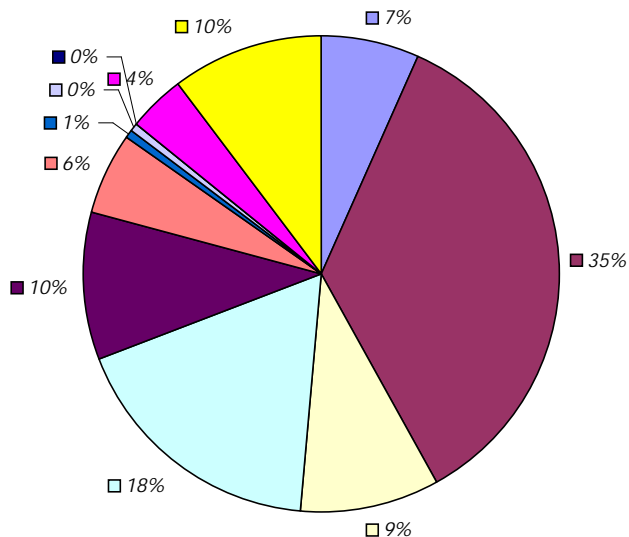


Operating Expenses
Before Depreciation and Closure and Postclosure Care Costs for Inactive Landfills
(As a Percentage of Total)
Fiscal Year 2004



Landfill & Disposal Operations	Waste-to-Energy	Transfer Operations
Garbage Collection	Trash Collection	Recycling
Litter Control	Facility Maintenance	County Wide Lot Clearing
Enforcement & Environmental	General & Administrative	

Operating Expenses
Before Depreciation and Closure and Postclosure Care Costs for Inactive Landfills
(As a Percentage of Total)
Fiscal Year 2003



Landfill & Disposal Operations	Waste-to-Energy	Transfer Operations
Garbage Collection	Trash Collection	Recycling
Litter Control	Facility Maintenance	County Wide Lot Clearing
Enforcement & Environmental	General & Administrative	

Depreciation expense increased from \$25.4 million in fiscal year 2003 to \$27.9 million in fiscal year 2004. The increase resulted from additions in fiscal year 2004 to depreciable property plant and equipment including the depreciation expense attributable to contributed assets combined with the depletion for a previously constructed landfill cell which started receiving waste in fiscal year 2004. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property plant and equipment can be found in Note 3 of the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2004 resulted in an expense of approximately \$700 thousand as compared to an expense of approximately \$800 thousand in fiscal year 2003. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The approximately \$700 thousand expense in fiscal year 2004 reflects the combined effects of approximately \$600 thousand in postclosure care estimates for the Old South Dade Landfill site with approximately \$100 thousand in the postclosure care estimates for the Main Landfill. The changes in estimates resulted from the Department's recent postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 10 of the financial statements.

Non- operating expenses net of revenues in fiscal year 2004 totaled \$6.543 million, as compared to \$6.977 million in fiscal year 2003. This decrease of \$434 thousand resulted from the combined effect of changes in several components as follows: interest income decreased \$757 thousand, interest expense decreased \$830 thousand, intergovernmental revenue decreased \$169 thousand and other non-operating revenue (expense), net increased \$530 thousand.

Contributed capital decreased to \$973 thousand in fiscal year 2004. This reduction indicates that there were no projects completed and transferred to the Department in fiscal 2004. Additional information concerning the Department's contributions can be found in Note 6 of the financial statements.

The Department's cash and cash equivalents increased from \$13.1 million at the end of fiscal year 2003 to \$61.5 million at the end of fiscal year 2004. This increase resulted from cash provided by operating, non-capital financing and investing activities, which were partially offset by cash used by capital and related financing activities. The \$61.5 million is composed of \$18.1 million available from unrestricted assets and \$43.4 million, which is restricted for capital projects, future debt service payments and required reserves.

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The following table (Table IV) shows a summary of the Department's major sources and uses of cash and cash equivalents for the past three fiscal years.

Table IV
Miami-Dade County, Florida
Department of Solid Waste Management
SUMMARY OF CASH FLOWS

	For Fiscal Years Ended September 30,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(In thousands)		
Cash flows provided (used) by:			
Operating Activities	\$ 26,555	\$ 12,587	\$ 12,681
Noncapital Financing Activities	353	359	458
Capital and Related Financing Activities	(23,988)	(29,158)	(2,098)
Investing Activities	<u>45,422</u>	<u>(37,864)</u>	<u>28,940</u>
Net (decrease) increase in Cash and Cash Equivalents	48,342	(54,076)	39,981
Cash and Cash Equivalents:			
Beginning of Year	<u>13,121</u>	<u>67,197</u>	<u>27,216</u>
End of Year	<u>\$ 61,463</u>	<u>\$ 13,121</u>	<u>\$ 67,197</u>

Additional information concerning the Department's cash equivalents can be found in Note 2 of the financial statements.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2004, the Department had \$253 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of \$20.7 million from \$273.7 million at September 30, 2003. The decrease reflects the combined effects of depreciation expense and assets disposed which were partially offset by asset additions during fiscal year 2004.

Major capital assets activity during fiscal year 2004 included the following:

- Resources Recovery Facility retrofit, West Transfer Station crane and TRC guard house-South Dade projects were completed in fiscal year 2004 bearing a total cost of approximately \$1.6 million. During fiscal year 2004, the Department contributed approximately \$56 thousand to the completion of these projects.
- Projects continued in connection with the Collection Facility Improvements, NE Station Improvement, T&R Centers Improvements, Truck Wash Facilities, Environmental Improvements, Disposal Facilities Improvements, Northeast Transfer Station Expansion, South Dade Ground Water Trench and miscellaneous projects at the Resources Recovery Facility (Carbon Monoxide, Fire Safety, Waste Water Plant, Cell 19 and other plant improvements). The projects listed herein exclude the closure projects discussed below. These projects had a combined cost of \$7.2 million in fiscal year 2004.
- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, the costs of closure projects completed in fiscal year 2004 have been excluded from property plant and equipment in the summary below. During fiscal year 2004, the Department contributed approximately \$146 thousand to the completion of these closure projects. Closure projects totaling \$400 thousand were completed during fiscal 2004.
- The total of capital and closure projects completed by the Department during fiscal year 2004 totaled \$2 million.

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The following table (Table V) summarizes the Department's capital assets and accumulated depreciation at September 30.

Table V
Miami-Dade County, Florida
Department of Solid Waste Management
Capital Assets and Accumulated Depreciation

	At September 30,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(In thousands)		
Land	\$ 57,544	\$ 57,544	\$ 57,544
Buildings and improvements	434,742	433,153	431,728
Machinery and equipment	<u>86,309</u>	<u>85,665</u>	<u>80,868</u>
Property, plant and equipment	578,595	576,362	570,140
Accumulated depreciation	(346,677)	(321,414)	(306,074)
Construction in progress	<u>21,123</u>	<u>18,756</u>	<u>21,397</u>
Property, plant & equipment, net	<u>\$ 253,041</u>	<u>\$ 273,704</u>	<u>\$ 285,463</u>

Additional information concerning the changes in the Department's capital assets can be found in Note 3 of the financial statements.

Long-term Debt

At September 30, 2004, the Department had \$ 175.9 million in bonds payable and subordinate debt outstanding, as compared to \$184.1 million at September 30, 2003. Of this \$175.9 million total, \$152.2 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2004 as compared to \$161.4 million at September 30, 2003. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2004, the Department's debt service coverage equaled 182%, as compared to 145% in the fiscal year ended September 30, 2003. This increase in coverage is attributed to higher Net Operating Revenues, resulting from the increases in revenues described above which was partially offset by a minor increase in the debt service requirement. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2004, the calculation of debt service coverage resulting in 182% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The balance of \$23.7 million in debt reflects the balance outstanding at September 30, 2004, for the County's Acquisition Special Obligations Bonds, Series 2002A and Series 2004B allocated to the

Department. This debt is considered subordinate debt to the Department. The County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt decreased \$8 million during fiscal year 2004. This decrease reflects debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred charges recorded during fiscal year 2004, partially offset by the \$3 million allocation to the Department of the County's Acquisition Special Obligations Bonds, Series 2004B.

During January 2001, the Department updated its bond ratings with each of the three major rating agencies. The ratings received are as follows: A from Standard and Poor's Credit Market Services, A2 from Moody's Investors Services, Inc. and A from Fitch, Inc. As of September 30, 2004, these ratings had not changed.

The summary of the Department's debt obligations at September 30, (Table VI) is shown below:

Table VI
Miami-Dade County, Florida
Department of Solid Waste Management
September 30, 2004
(In thousands)

	Amount	Interest
	Outstanding	Rates
Revenue Refunding Bonds	\$ 62,176	4.0-6.0%
Revenue Bonds	\$ 90,048	3.65-5.5%
County Special Obligation Bonds	\$ 23,737	2.0-5.0%
Total	<u>\$ 175,961</u>	

September 30, 2003
(In thousands)

	Amount	Interest
	Outstanding	Rates
Revenue Refunding Bonds	\$ 69,092	4.0-6.0%
Revenue Bonds	\$ 92,335	3.65-5.5%
County Special Obligation Bonds	\$ 22,740	2.0-5.0%
Total	<u>\$ 184,167</u>	

September 30, 2002
(In thousands)

	Amount	Interest
	Outstanding	Rates
Revenue Refunding Bonds	\$ 75,656	4.0-6.0%
Revenue Bonds	\$ 94,533	3.65-5.5%
County Special Obligation Bonds	\$ 23,120	2.0-5.0%
Total	<u>\$ 193,309</u>	

Additional information concerning the Department's outstanding long-term debt and coverage calculations can be found in Note 4 of the financial statements and Table XII of the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Miami-Dade County's population growth for fiscal year 2004 was 1.3%, as reported by Miami-Dade County Department of Planning and Zoning, Research Section. During the fiscal year ended September 30, 2004, the average annual number of household (residential) units serviced by the Department increased 2.2%. During the previous two fiscal years the average annual number of household units increased 1.9% and 1.88% per year (fiscal year 2003 and fiscal year 2002, respectively). Information concerning the Department's average annual number of units can be found in Table V of the Statistical Information Section of this report.
- The number of municipal incorporations is continuing. The Department is aware that this is occurring but it projects to continue servicing the residents of the new municipalities under the current rule of law (Ordinance 96-30). This Ordinance requires those new municipalities to remain as part of the Department's Collection Service Area.
- The number of disposal equivalent revenue tons for the last three fiscal years averaged 1.8 million (fiscal years 2004, 2003 and 2002 average). Information concerning the Department's disposal equivalent revenue tons can be found in Table III A of the Statistical Information Section of this report.

All these factors were considered in the preparation of the Department's budget for fiscal year 2005.

The Adopted Budget for fiscal year 2005 includes:

- A disposal contract tipping fee of \$52.25 per ton. This 3.2% increase over fiscal year 2004, reflects the changes in the consumer price index stipulated for this fee.
- The annual fee for curbside collection remained at \$399 per household.
- Revenues from a Landscaper Program increased pursuant to the consumer price index stipulated for this fee as follows: The fees for clean yard trash at the T&R Centers range from \$18.93 for pickup trucks and vans or trailers with capacity of 6 cubic yards or less to \$63.14 for trailers with capacity greater than 6 cubic yards; the landfill charge is \$6.31 per cubic yard or \$52.25 per ton.
- Phase One of the Automated Garbage Collections Program is scheduled to be in place by the end of Fiscal 2005, which expands the number of households receiving automated garbage collection from 11,000 to 142,500 representing 47% of the households served.

While the Disposal Fund's Rate Stabilization Reserves remained intact at \$20.2 million in fiscal year 2004, in accord with the Financial Advisor's 2003 recommendations, certain capital projects will be funded with cash balances available in the Rate Stabilization Fund. This is reflected in the Adopted Budget for fiscal year 2005, which anticipates the use of \$300,000 from Rate Stabilization for a capital project.



REQUEST FOR INFORMATION

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed in writing to the Controller, Department of Solid Waste Management, 2525 NW 62 Street, 5th Floor, Miami, Florida 33147.

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Miami-Dade County, Florida
Department of Solid Waste Management
Statements of Net Assets

	At September 30,	
	2004	2003
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Unrestricted Assets		
Cash & cash equivalents	\$ 18,053	\$ 3,759
Investments	17,691	30,037
Accounts receivable, net	13,253	12,185
Due from other governments	1,462	283
Other current assets	495	497
Total Unrestricted Assets	<u>50,954</u>	<u>46,761</u>
Restricted Assets		
Cash & cash equivalents	43,410	9,362
Investments	42,840	74,452
Accounts receivable	7,081	6,700
Total Restricted Assets	<u>93,331</u>	<u>90,514</u>
Total Current Assets	<u>144,285</u>	<u>137,275</u>
NON-CURRENT ASSETS		
Capital Assets		
Land	57,544	57,544
Buildings and improvements, net of depreciation	136,625	157,205
Machinery and equipment, net of depreciation	37,749	40,199
Construction in progress	21,123	18,756
Total Capital Assets	<u>253,041</u>	<u>273,704</u>
Other Assets		
Loan receivable from other County funds	572	835
Due from other County funds	994	1,709
Other	12,530	9,206
Total Other Assets	<u>14,096</u>	<u>11,750</u>
Total Non-Current Assets	<u>267,137</u>	<u>285,454</u>
TOTAL ASSETS	<u>\$ 411,422</u>	<u>\$ 422,729</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable	\$ 7,244	\$ 9,598
Accrued expenses	3,529	1,871
Due to other County funds	2,303	2,427
Due to other governments	-	37
Other current liabilities - compensated absences	3,337	3,020
Other current liabilities - other	428	1,231
Total Payable from Unrestricted Assets	<u>16,841</u>	<u>18,184</u>
Payable from Restricted Assets		
Accrued interest payable	4,439	4,711
Current portion of bonds, notes & loans payable	11,870	11,320
Accounts payable, restricted	257	443
Total Payable from Restricted Assets	<u>16,566</u>	<u>16,474</u>
Total Current Liabilities	<u>33,407</u>	<u>34,658</u>
LONG-TERM LIABILITIES		
Bonds & notes payable, net	164,091	172,847
Liability for closure & postclosure care costs	83,779	82,647
Other long-term liabilities- compensated absences	9,004	7,880
Other long-term liabilities-other	1,767	1,931
Total Long-Term Liabilities	<u>258,641</u>	<u>265,305</u>
Total Liabilities	<u>292,048</u>	<u>299,963</u>
NET ASSETS		
Invested in Capital Assets, net of Related Debt	<u>94,847</u>	<u>107,846</u>
Restricted for:		
Debt service	14,568	14,341
Other purposes	59,095	55,802
Total Restricted	<u>73,663</u>	<u>70,143</u>
Unrestricted (Deficit)	<u>(49,136)</u>	<u>(55,223)</u>
TOTAL NET ASSETS	<u>\$ 119,374</u>	<u>\$ 122,766</u>

The accompanying notes to the financial statements are an integral part of these statements

Miami-Dade County, Florida
Department of Solid Waste Management
Statements of Revenues, Expenses and Changes in Net Assets

For the Fiscal Years Ended September 30,

	<u>2004</u>	<u>2003</u>
	(In thousands)	
Operating Revenues		
Solid waste disposal services	\$ 53,781	\$ 53,235
Solid waste collection services	123,224	104,785
Utility service fees	15,798	14,824
Electricity sales	16,593	19,195
Other operating revenues	12,576	12,103
Total	<u>221,972</u>	<u>204,142</u>
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	13,992	12,375
Waste-to-energy	64,748	65,383
Transfer operations	24,844	17,418
Garbage collection	34,415	32,518
Trash collection	13,186	18,429
Recycling	10,175	10,249
Litter control & County wide lot clearing	1,499	1,450
Facility maintenance	1,065	683
Enforcement and environmental compliance	6,111	7,303
General and administrative	20,231	18,983
Total	<u>190,266</u>	<u>184,791</u>
Depreciation	<u>27,913</u>	<u>25,356</u>
Closure & Postclosure Care Costs for Inactive Landfills	<u>642</u>	<u>798</u>
Operating Income (Loss)	<u>3,151</u>	<u>(6,803)</u>
Non-Operating Revenues (Expenses)		
Interest income	1,201	1,958
Interest expense	(8,793)	(9,623)
Intergovernmental revenue	260	429
Other non-operating, net	789	259
Total	<u>(6,543)</u>	<u>(6,977)</u>
Loss Before Capital Contributions	<u>(3,392)</u>	<u>(13,780)</u>
Capital Contributions	<u>-</u>	<u>973</u>
Changes in Net Assets	<u>(3,392)</u>	<u>(12,807)</u>
Total Net Assets, beginning of the year	<u>122,766</u>	<u>135,573</u>
Total Net Assets, end of the year	<u>\$ 119,374</u>	<u>\$ 122,766</u>

Miami-Dade County, Florida
Department of Solid Waste Management
Statements of Cash Flows

For the Fiscal Years Ended September 30,

	<u>2004</u>	<u>2003</u>
	(In thousands)	
Cash Flows From Operating Activities:		
Cash received from fees and charges	\$ 220,523	\$ 204,219
Cash paid to suppliers	(128,672)	(129,437)
Cash paid for closure and long-term care costs	(883)	(3,996)
Cash paid to employees for services	(64,413)	(58,199)
Net cash provided by operating activities	<u>26,555</u>	<u>12,587</u>
Cash Flows From Noncapital Financing Activities:		
Operating grants received	<u>353</u>	<u>359</u>
Net cash provided by noncapital financing activities	<u>353</u>	<u>359</u>
Cash Flows From Capital and Related Financing Activities:		
Net proceeds from the issuance of bonds	3,000	-
Principal payments on bonds and loans payable	(11,320)	(9,190)
Interest paid	(9,184)	(9,263)
Proceeds from the sale of equipment	883	626
Acquisition and construction of capital assets	(7,367)	(11,331)
Net cash used by capital and related financing activities	<u>(23,988)</u>	<u>(29,158)</u>
Cash Flows From Investing Activities:		
Proceeds from sale and maturity of investments	104,489	63,508
Purchases of investments	(60,531)	(104,489)
Interest earned on investments	1,201	1,958
Receipts from loan to other County fund for land purchase	<u>263</u>	<u>1,159</u>
Net cash provided (used) by investing activities	<u>45,422</u>	<u>(37,864)</u>
Net increase (decrease) in cash and cash equivalents	48,342	(54,076)
Cash and cash equivalents, beginning of year	<u>13,121</u>	<u>67,197</u>
Cash and cash equivalents, end of year	<u>\$ 61,463</u>	<u>\$ 13,121</u>
Classified As:		
Current assets	\$ 18,053	\$ 3,759
Restricted assets	43,410	9,362
Total	<u>\$ 61,463</u>	<u>\$ 13,121</u>

Miami-Dade County, Florida
Department of Solid Waste Management
Statements of Cash Flows

For the years ended September 30,

2004

2003

(In thousands)

**Reconciliation of Operating Income (Loss) to Net
Cash Provided by Operating Activities:**

Operating income (loss)	\$ 3,151	\$ (6,803)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	27,913	25,356
Amortization of closure and postclosure care liability	2,014	245
(Increase) decrease in assets:		
Accounts receivable	(1,449)	77
Other current assets	2	7
Due from other governments	(1,179)	25
Other assets	(2,609)	495
Increase (decrease) in liabilities:		
Accounts payable	(2,540)	(1,502)
Accrued expenses	1,658	(103)
Other current liabilities - compensated absences	317	2,455
Other current liabilities - other	(803)	(1,470)
Due to other County funds	(124)	119
Liability for closure and postclosure costs before amortization	(883)	(3,996)
Due to other governments	(37)	(16)
Other long-term liabilities-compensated absences	1,124	(2,302)
Net Cash Provided by Operating Activities	<u>\$ 26,555</u>	<u>\$ 12,587</u>

Noncash Investing, Capital and Financing Activities:

The increase/(decrease) in the fair value of investments was approximately \$(123,000) and approximately \$161,000 in fiscal years 2004 and 2003, respectively.

No property, plant and equipment contributions were received in fiscal year 2004. In fiscal year 2003, the Department received approximately \$973,000 in property, plant and equipment contributions.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004 AND 2003

1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General - In January 1989, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") passed Administrative Order 9-1 creating the Department of Solid Waste Management (the "Department"). The Department was formed by merging the Department of Solid Waste Collection with the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department provides solid waste collection services for unincorporated Miami-Dade County and solid waste disposal services for all of Miami-Dade County. Under the provisions of the State of Florida 1988 Solid Waste Management Act, the County is responsible for providing sufficient solid waste disposal capacity for all of Miami-Dade County based on a defined "Level of Service Standard", as required by the 1985 State of Florida Growth Management Act.

The financial statements present only the financial position, results of operations and the cash flows of the Department, in conformity with accounting principles generally accepted in the United States of America, and are not intended to present fairly the financial position, results of operations and the cash flows of Miami-Dade County, Florida's proprietary fund types.

Basis of Accounting and Reporting Entity - The Department operates as a self-supporting governmental enterprise fund of the County. An enterprise fund is used to account for operations that recover the cost of services provided from user charges. Accordingly, the accompanying financial statements have been prepared on the accrual basis of accounting.

The accompanying financial statements combine the accounts of the Solid Waste Collection and Solid Waste Disposal Systems to provide meaningful information with respect to the Department. All significant intersystem transactions have been eliminated.

The financial statements are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). The Department has elected not to apply certain pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 as permitted by GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

Budgets - The Board of County Commissioners approves annual operating and capital outlay budgets for the Department's waste collection and waste disposal funds, through the enactment of Budget Ordinances. Expenditures are monitored at various levels of classification detail, but may not legally exceed budgeted appropriations at the fund level.

Use of Estimates - The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions. These assumptions and estimates affect the amounts and disclosures in the accompanying financial statements. Actual results could differ from those estimates.

Revenue Recognition - All waste collection and disposal revenues are recognized when the related services are provided.

Operating and non-operating revenues - The Department distinguishes operating revenues and expenses from non-operating items in its statement of revenues, expenses and changes in net assets. In general operating revenues result from charges to customers for the use of the Department's services. Operating expenses relate to the cost of providing those services including administrative expenses, depreciation and depletion of capital assets and closure and postclosure care for active and inactive landfills.

All other revenues and expenses that do not result from the Department's ongoing operations are considered to be non-operating. Non-operating items include but are not limited to investment earnings, interest expense, grants and capital contributions.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Cash Equivalents - The Department considers all amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the County to be cash equivalents.

Investments - The investments of the Department are reported at fair value, and unrealized gains or losses due to variations in fair value are taken into income for the year.

Restricted Assets - The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net assets.

Application of restricted and unrestricted assets - The Department's policy when both restricted and unrestricted assets are available to be used for a certain purpose is to use restricted assets first, then use unrestricted assets as needed.

Capital Assets and Depreciation - Property, plant and equipment are capitalized at cost, when cost exceeds \$750. Contributions by third parties are recorded at their fair value on the date of contribution. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. At the time properties are retired or otherwise disposed of, the cost and any related contributed capital are eliminated from the accounts, and any gain or loss on the transaction is reflected in the statement of revenues and expenses.

Leases that transfer substantially all the benefits and risks of ownership are classified as *capital leases*, and require the lessee to record the assets acquired and the related long-term liability for the lease at the present value of the future minimum lease payments.

Annualized depreciation expense (including depreciation on contributed assets), expressed as a percentage of depreciable property, plant and equipment was 5.3% and 4.8% for the fiscal years ended September 30, 2004 and 2003, respectively. The Department utilizes the straight-line method of depreciation over the estimated useful lives of the assets, which are as follows:

	Years
Buildings and improvements	10-25
Machinery and equipment	5-10

Loan Receivable from Other County Funds - The Department loaned approximately \$3.1 million to the Parks Department for the acquisition of property adjacent to the OJUS Landfill (see Note 10), which is to be repaid in annual installments of \$160,000. Approximately \$2.5 million and approximately \$2.2 million had been repaid as of September 30, 2004 and 2003, leaving a remaining balance of approximately \$.6 million and \$.9 million, respectively for those years.

Interest on Indebtedness - Interest is charged to expense as incurred except for interest related to borrowings used for qualified construction projects, which is capitalized, net of interest earned on the construction funds borrowed. Interest expense for the fiscal years ended September 30, 2004 and 2003 was \$8.8 million and \$9.6 million, respectively. These amounts are net of capitalizable interest totaling \$671 thousand and \$637 thousand in fiscal years 2004 and 2003, respectively.

Bond Premium, Deferred Charges and Issuance Costs - Premiums on bonds and notes payable are amortized using the straight-line method over the life of the related bond issues since, in the opinion of management, the results are not significantly different than those obtained by using the interest method of amortization. Bond issuance costs and deferred charges are capitalized and amortized over the life of the bonds.

Grants from Government Agencies - The Department records grants when all eligibility requirements are met under the appropriate grant terms. This normally occurs as amounts are expended and become reimbursable from the granting agency. Revenues from operating grants are accounted for as non-operating revenues.

Pension Plan - The Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Contributions are expensed as incurred (see Note 8).

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Compensated Absences - The Department accounts for compensated absences by accruing a liability in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. This liability is based on the employees' right to receive compensation for future absences at the time of the absence, or upon termination or retirement.

Cost Allocation - Certain engineering overhead and other costs are allocated between capital projects and operating expenses based on direct labor costs.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County pools substantially all cash, cash equivalents and investments, except for those amounts that are required to be held in trust or escrow accounts pursuant to bond ordinances. The Department's share of the total pooled cash and investments is segregated between "Cash and Cash Equivalents" and "Investments" on the accompanying statements of net assets in proportion to the percentages contained in the County's analysis of its pooled cash. Interest earned on pooled cash and investments is allocated to the Department based upon its average daily balance in those assets during the allocation period.

Deposits

All cash deposits are held in qualified public depositories pursuant to the *Florida Security for Public Deposits Act* (the "Act"), Chapter 280 Florida Statutes. These deposits are considered fully insured since the Act requires all qualified public depositories to pledge, as security, eligible collateral with a market value equal to or greater than the average daily or monthly balance of all public deposits multiplied by the depository's collateral pledging level. The pledging level ranges from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with a State approved financial institution. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

Investments

Investments are made in accordance with the provisions of Chapter 125.31(1) and 218.415, Florida Statutes and County Ordinance 84-47, *Investment and Reinvestment of Surplus Funds*. The County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit and the Local Government Surplus Funds Trust Fund. Investments are grouped into three categories, based on who holds the securities at year end, to give an indication of the level of risk assumed by the entity, as follows: (1) insured or registered or for which the securities are held by the entity or its agent in the entity's name; or (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name; or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

The Department's investments at September 30, 2004 and 2003 are shown below. Investments classified as U.S. government and agency securities, commercial paper and bankers' acceptances were held by the County's custodial bank and escrow agents in the County's name, and, therefore, are classified in the first category of credit risk.

	2004	2003
	(In Thousands)	
	Fair Value	
U.S. Government and agency securities	\$ 56,548	\$59,423
Bankers' acceptances	-	-
Commercial paper	<u>3,983</u>	<u>45,066</u>
Total investments	<u>\$ 60,531</u>	<u>\$104,489</u>

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

Capital assets activity for each of the years ended September 30, 2004 and September 30, 2003 was as follows:

	Balance at 10/1/2003	(In Thousands)		Balance at 9/30/2004
		Additions	Deletions	
Land	\$57,544	\$ -	\$ -	\$57,544
Construction in Progress	18,756	7,669	5,302	21,123
Total Non-depreciable Assets	<u>76,300</u>	<u>7,669</u>	<u>5,302</u>	<u>78,667</u>
Building & Building Improvements				
Authorized Impr. (Contributed Assets)	507	-	-	507
Buildings	306,191	1,589	-	307,780
Total Buildings & Improvements	<u>306,698</u>	<u>1,589</u>	<u>-</u>	<u>308,287</u>
Other Improvements (Incl. Landfills)	<u>126,455</u>	<u>-</u>	<u>-</u>	<u>126,455</u>
Furniture, Fixtures, Mach & Equip				
Machinery, Equipment & Furniture	20,727	2,049	2,149	20,627
Automotive Equipment	63,849	3,254	2,510	64,593
Other Capitalizable Items	1,089	-	-	1,089
Total Furn,Fix, Mach & Equip	<u>85,665</u>	<u>5,303</u>	<u>4,659</u>	<u>86,309</u>
Total Depreciable Assets	<u>518,818</u>	<u>6,892</u>	<u>4,659</u>	<u>521,051</u>
Less Accumulated Depreciation for:				
Buildings & Building Improvements	200,457	12,281	-	212,738
Other Improvements	75,491	9,888	-	85,379
Furn, Fixtures, Mach & Equipment	45,466	5,744	2,650	48,560
Total Accumulated Depreciation	<u>321,414</u>	<u>27,913</u>	<u>2,650</u>	<u>346,677</u>
Total Depreciable Assets, Net	<u>197,404</u>	<u>(21,021)</u>	<u>2,009</u>	<u>174,374</u>
Total Capital Assets, Net	<u>\$273,704</u>	<u>(\$13,352)</u>	<u>\$7,311</u>	<u>\$253,041</u>

	Balance at 10/1/2002	(In Thousands)		Balance at 09/30/03
		Additions	Deletions	
Land	\$57,544	\$ -	\$ -	\$57,544
Construction in Progress	21,397	4,820	7,461	18,756
Total Non-depreciable Assets	<u>78,941</u>	<u>4,820</u>	<u>7,461</u>	<u>76,300</u>
Building & Building Improvements				
Authorized Impr. (Contributed Assets)	507	-	-	507
Buildings	305,739	11,082	10,630	306,191
Total Buildings & Improvements	<u>306,246</u>	<u>11,082</u>	<u>10,630</u>	<u>306,698</u>
Other Improvements (Incl. Landfills)	<u>125,482</u>	<u>973</u>	<u>-</u>	<u>126,455</u>
Furniture, Fixtures, Mach & Equip				
Machinery, Equipment & Furniture	20,007	914	194	20,727
Automotive Equipment	59,772	10,969	6,892	63,849
Other Capitalizable Items	1,089	-	-	1,089
Total Furn,Fix, Mach & Equip	<u>80,868</u>	<u>11,883</u>	<u>7,086</u>	<u>85,665</u>
Total Depreciable Assets	<u>512,596</u>	<u>23,938</u>	<u>17,716</u>	<u>518,818</u>
Less Accumulated Depreciation for:				
Buildings & Building Improvements	191,125	12,347	3,015	200,457
Other Improvements	68,161	7,330	-	75,491
Furn, Fixtures, Mach & Equipment	46,788	5,679	7,001	45,466
Total Accumulated Depreciation	<u>306,074</u>	<u>25,356</u>	<u>10,016</u>	<u>321,414</u>
Total Depreciable Assets, Net	<u>206,522</u>	<u>(1,418)</u>	<u>7,700</u>	<u>197,404</u>
Total Capital Assets, Net	<u>\$285,463</u>	<u>\$3,402</u>	<u>\$15,161</u>	<u>\$273,704</u>

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT

Long-term debt includes various bonds, loans and notes payable which have been issued or approved by the County for the construction and improvement of the Department's waste collection and disposal infrastructure, for the defeasance of outstanding debt and for the acquisition of certain machinery and equipment. See Note 5, Restricted Assets, for a discussion of the accounts used in accounting for proceeds and collateral pledged as a result of the issuance of the various forms of debt.

General covenants, along with debt service requirements, are as follows:

Miami-Dade County Revenue Bonds Series 2001 - On February 28, 2001, the County issued \$40.395 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2001 ("the Series 2001 Revenue Bonds").

The Series 2001 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2020, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.375% to 5.50%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2004 and 2003.

The proceeds of \$41.147 million, including the bond premium, were used to: (1) pay \$40 million of the Costs for the 1997 Project (such portion of the Costs of the 1997 Project constituting a Project for purposes of the Series 2001 Resolution), and (2) pay the costs of issuance for the Series 2001 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 1998 - On August 19, 1998, the County issued \$60 million of Miami-Dade County Solid Waste System Revenue Bonds Series 1998.

The Series 1998 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2018, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 3.65% to 5.1%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2004 and 2003.

The proceeds of \$59.1 million were used to: (1) pay the principal balance of \$50 million on the Dade County, Florida Solid Waste System Bond Anticipation Notes, Series 1997 which matured on September 1, 1998 (2) provide \$7.758 million for capital expenditures, and (3) pay the costs of issuance for the Series 1998 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Dade County Revenue Refunding Bonds Series 1996 - On January 7, 1997, the County issued \$109.5 million of Dade County Solid Waste System Revenue Refunding Bonds Series 1996.

The Series 1996 Refunding Bonds are secured by the net operating revenues of the Department and are due serially on October 1 through the year 2010, with semiannual interest due on April 1 and October 1, with interest rates ranging from 4.0% to 6.0%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2004 and 2003.

The net proceeds of \$108.8 million, together with the \$45.4 million released from reserves related to the refunded obligations and a \$6 million contribution from the Department were used to: (1) pay the balance of \$43.2 million on the Series J State Bond Loan (2) purchase \$116.2 million in U. S. Treasury securities to provide for all future debt service payments on the Series 1985A Dade County Waste System Special Obligation Revenue Bonds and the Series 1986 Dade County Solid Waste System Special Obligation Revenue Refunding Bonds (3) pay the costs of issuance for the Series 1996 Refunding Bonds including premiums for a municipal bond insurance policy and a surety bond.

The U. S. Treasury securities were placed in an irrevocable trust with an escrow agent. Accordingly, the refunded obligations totaling \$15.9 million for Series 1985A and \$95.2 million for Series 1986 are considered to be defeased, and the assets held in trust and the liability for the defeased debt have not been included in the accompanying financial statements.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Other Long-Term Debt

Miami-Dade County Capital Asset Acquisition Bond Series 2002A - On September 11, 2002, the County issued Acquisition Special Obligation Bonds Series 2002A ("the Series 2002A Bonds") of which \$21.045 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2004 through the year 2013, along with its share of the semiannual interest payable on April 1 and October 1. Interest rates on the bonds ranged from 2.00% to 5.00%. The Department's share of the bond proceeds of \$23.120 million, including a bond premium of \$2.07 million, was used to: (1) pay \$22.8 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2002A Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Capital Asset Acquisition Bond Series 2004B - On September 29, 2004, the County issued Acquisition Special Obligation Bonds Series 2004B ("the Series 2004B Bonds") of which \$2.945 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2006 through the year 2016, along with its share of the semiannual interest payable on April 1 and October 1 (starting April 1, 2005). Interest rates on the bonds ranged from 2.25% to 5.00%. The Department's share of the bond proceeds of \$3.046 million, including a bond premium of \$101 thousand, was used to: (1) pay \$3.0 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2004B Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

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MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Debt Service Requirements - The Department's debt service requirements to maturity, net of the current portion and current value of deferred charges and unamortized premium/discount at September 30, 2004, are as follows:

Maturing in Fiscal Year	(In Thousands)		Total
	Principal	Interest	
2005	\$11,870	8,681	20,551
2006	12,765	8,097	20,862
2007	13,460	7,386	20,846
2008	14,210	6,631	20,841
2009	14,955	5,875	20,830
2010-2014	56,070	19,221	75,291
2015-2019	36,640	8,993	45,633
2020-2021	<u>17,105</u>	<u>866</u>	<u>17,971</u>
Total	177,075	65,750	242,825
Current Portion	(11,870)		(11,870)
Deferred Charges	(3,010)		(3,010)
Unamortized			
Premium/Discount	<u>1,896</u>		<u>1,896</u>
Total debt, net of current portion	<u>\$164,091</u>	<u>\$ 65,750</u>	<u>\$229,841</u>

Refer to Note 11 for additional information regarding beginning balance, additions, reductions and ending balance.

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MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Summary of Outstanding Debt (In thousands):

Description	Rate	Amount Issued	Maturity Date	Balance Outstanding
96 Refunding Bonds	4-6%	\$109,550	10/1/10	\$64,605
Plus: Unamortized Premium				581
Less:				
Deferred Loss on Refunding				(3,010)
Current Portion				(7,725)
Bonds Payable on Series 1996				<u>\$54,451</u>
98 Revenue Bonds	3.65-5.1%	\$60,000	10/1/18	\$49,775
Plus: Unamortized Premium - 97BANS				148
Less:				
Unamortized Discount				(754)
Current Portion				(2,390)
Bonds Payable on Series 1998				<u>\$46,779</u>
01 Revenue Bonds	4.375-5.5%	\$40,395	10/1/20	\$40,395
Plus: Unamortized Premium				484
Bonds Payable on Series 2001				<u>\$40,879</u>
02 Capital Asset Bonds	2-5%	\$21,045	04/1/13	\$19,355
Plus: Unamortized Premium				1,336
Less: Current Portion				(1,755)
Subordinate Debt Payable on Series 2002A				<u>\$18,936</u>
04 Capital Asset Bonds	2.25-5%	\$2,945	04/1/16	\$2,945
Plus: Unamortized Premium				101
Less: Current Portion				(0)
Subordinate Debt Payable on Series 2004B				<u>\$3,046</u>
Total Debt Outstanding, net of current portion at 9/30/04				<u>\$164,091</u>

Prior Years' Defeasance of Debt- In prior years, the County defeased certain bonds by placing the proceeds of new bond issues in irrevocable trusts and investing them in direct obligations of the U.S. Government to provide for all future debt service payments on the old bonds. At September 30, 2004 and 2003, there were no defeased bonds outstanding.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

5. RESTRICTED ASSETS

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of the various bond agreements (see Note 4) and for compliance with Chapter 24 of the Miami-Dade County Code (See Note 10). Assets were restricted for the following purposes as of September 30:

Restricted Assets	2004	2003
	(In Thousands)	
Construction & Equipment	\$ 19,668	\$ 20,371
Debt service	14,568	14,341
Groundwater Protection	7,081	6,700
Rate Stabilization	20,228	20,228
Operating Reserve	<u>31,786</u>	<u>28,874</u>
Total	<u>\$ 93,331</u>	<u>\$ 90,514</u>

6. CONTRIBUTIONS

Effective October 1, 2000, the County began accounting for and disclosing contributed assets in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* (the "Statement"). The Statement requires, among other matters: (1) that the County's enterprise funds must reflect external capital contributions as non-operating revenue in the Statements of Revenues, Expenses and Changes in Net Assets (2) that the previously used contributions account in the equity section of the Statements of Net Assets should be closed to retained earnings concurrent with the implementation of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (see Note 14), and (3) that no restatement of prior years will be necessary for statements issued prior to September 30, 2002.

7. RISK MANAGEMENT

The Department, along with other County departments, participates in the County's self-insurance programs. The County's Risk Management Division ("RMD") administers property, workers' compensation and general and automobile liability self-insurance programs. An independent contractor administers the group health and life self-insurance program, which is subject to certain stop-loss provisions.

The property self-insurance program covers the first \$5 million of property losses for most perils. A \$200million self insured retention per occurrence applies to named windstorm losses. Named windstorm coverage is limited to \$725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self insured retention. The County maintains no excess coverage with independent insurance carriers for the workers' compensation, general liability and auto liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. For the years ended September 30, 2004 and 2003, the Department paid approximately \$1.5 million and approximately \$1.3 million, respectively, in premiums for the self-insured programs. At September 30, 2004 and 2003, the Department had an outstanding payable to RMD for self-insurance claims of approximately \$2.3 million.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost of settling claims. The estimate for outstanding claims

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

considers historical experience adjusted for current trends and other factors that would modify past experience. The estimate for losses incurred but not reported, is generated by an independent actuary.

8. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Pension Plans

The Department, as an agency of the County, participates in the Florida Retirement System (the "System"/"FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the Department's full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970, and those employed prior to 1970, who elect to be enrolled, are covered by the System. Benefits under the plan vest after 6 years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The System also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Pension costs of the Department of Solid Waste Management for the years ended September 30, 2004, 2003 and 2002, amounted to approximately \$3.5 million, \$2.8 million, and \$3.1 million, respectively, representing 7.11%, 6.22%, and 6.99% of the Department's covered payroll, for the fiscal years 2004, 2003 and 2002, respectively.

Pension costs for the County, as required and defined by State statute, ranged from 7.39% to 18.65%, 7.39% to 18.65% and 5.76% to 16.10% of gross salaries for fiscal years 2004, 2003 and 2002, respectively. For the fiscal years ended September 30, 2004, 2003 and 2002, the County made 100% of the required contributions.

A copy of the System's June 30, 2004 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560, or by calling (850) 488-5706.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. The Department accrues vacation and sick pay benefits in the period they are earned. Accrued vacation, sick pay and departure incentive program payable (see "Departure Incentive Program" below), which are included in "Other current liabilities-compensated absences" and "Other long-term liabilities-compensated absences" in the accompanying statements of net assets, totaled approximately \$12.3 million and \$10.9 million as of September 30, 2004 and 2003, respectively.

Departure Incentive Program

The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service on or before January 31, 1996, regardless of age. Employees were required to separate from service on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a \$300 a month cash payment for a minimum of eight years or until the employee would become eligible for Medicare.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

For the fiscal years ended September 30, 2004, and 2003, the Department's share of the Program included in the accompanying statements of net assets under "Other current liabilities—compensated absences" and "Other long-term liabilities—compensated absences" totaled approximately \$211,000 and \$255,000, respectively. These figures represent the estimated remaining cost to the Department for its share of the Program discounted at 4%. Refer to Note 11 for additional information regarding beginning balance, additions, reductions and ending balance of compensated absences and Departure Incentive Program.

9. RELATED PARTY TRANSACTIONS

The Department provides waste collection and waste disposal services to other County departments as part of the normal course of business, based on regular retail rates. The Department recognized approximately \$5 million and \$4.9 million in revenues for fiscal year 2004 and fiscal year 2003, respectively. These revenues represent the total of services rendered and the rental of an administration building to other County departments. Various departments within the County provide goods, administrative services, public safety, facility rental, fleet management and various other services to the Department. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties.

The following represents the major providers of these services and their respective charges, which are included in the accompanying statements of revenues and expenses and changes in retained earnings, for the years ended September 30 as follows:

	2004	2003
	(In Thousands)	
General County Support Charge	\$ 4,075	\$ 3,989
GSA-Risk Management	1,524	1,274
GSA-Fleet Management & Other	22,164	21,510
Information Technology Dept.	1,662	1,312
Other County Departments	<u>478</u>	<u>421</u>
	<u>\$ 29,903</u>	<u>\$ 28,506</u>

10. CLOSURE AND POSTCLOSURE CARE

At September 30, 2004 and 2003, the Department's total liability for landfill closure and postclosure care costs was approximately \$83.8 million and approximately \$82.6 million, respectively. For the fiscal year ended September 30, 2004, approximately \$52.1 million relates to active landfills and approximately \$31.7 million relates to inactive landfills. For the fiscal year ended September 30, 2003, approximately \$51.5 million relates to active landfills and approximately \$31.1 million relates to inactive landfills.

This liability arises from the fact that current laws and regulations require the County to place final covers on landfill cells as they are closed, and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County was in compliance with these requirements as of September 30, 2004.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the "Statement"). The

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from the proceeds of bonds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Closure and Postclosure Care for Active Landfills

Active landfills consist of the North Dade Landfill (ND), the South Dade Landfill (SD), and the Resources Recovery Ashfill (RR). The change in the closure and postclosure care liability for these landfills for fiscal years 2004 and 2003 are summarized as follows (in millions):

	ND	SD	RR	Total
Balance, 10/01/2003	\$21.5	\$16.6	\$13.4	\$51.5
Amortization/(Credit)	2.1	2.9	(3.5)	1.5
Other Reductions	<u>(.4)</u>	<u>(.4)</u>	<u>(.1)</u>	<u>(.9)</u>
Balance, 09/30/2004	<u>\$23.2</u>	<u>\$19.1</u>	<u>\$ 9.8</u>	<u>\$52.1</u>

	ND	SD	RR	Total
Balance, 10/01/2002	\$24.3	\$16.7	\$14.3	\$55.3
Amortization/(Credit)	.1	.3	(.9)	(.5)
Other Reductions	<u>(2.9)</u>	<u>(.4)</u>	<u>-</u>	<u>(3.3)</u>
Balance, 09/30/2003	<u>\$21.5</u>	<u>\$16.6</u>	<u>\$13.4</u>	<u>\$51.5</u>

The liability balance of approximately \$52.0 million as of September 30, 2004 represents an increase of approximately \$600,000 when compared to the preceding year. This increase resulted from the combined effects of (1) current period amortization of approximately \$1.5 million adjusting the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 78.6% of the existing landfill capacity, and (2) reductions of approximately \$900,000 for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed "cells" of active landfills.

Unrecognized costs of approximately \$34.9 million as of September 30, 2004 will be amortized on a current basis as the existing estimated capacity of approximately 6.9 million tons at September 30, 2004 is used. This estimated capacity is expected to last until 2011 based on current waste flows.

Closure and Postclosure Care for Inactive Landfills

Inactive landfills consist of the Main Landfill at 58th Street (Main), the Ojus Landfill (Ojus), and the Old South Dade Landfill (OSD).

The bond indenture specifically excludes current period expenses related to the assumption of liabilities for inactive landfills from the definition of operating expenses for purposes of determining the Department's net revenue coverage ratio (Note 4). Under this criterion, approximately \$600,000 in accrued expenses related to Old South Dade landfill site was excluded for the fiscal year ended September 30, 2004. These expenses qualified for the exclusion since the Department had "assumed" responsibility for expediting the closing process for the site in

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

1996, pursuant to agreements with various federal and state agencies.

The change in the closure and postclosure care liability related to inactive landfills for fiscal years 2004 and 2003 are summarized as follows (in millions):

	Main	Ojus	OSD	Total
Balance, 10/01/2003	\$ 9.2	\$1.1	\$ 20.8	\$31.1
Expense/(Credit)	.1	-	.6	.7
Other Reductions	(.1)	-	-	(.1)
Balance, 09/30/2004	<u>\$ 9.2</u>	<u>\$1.1</u>	<u>\$21.4</u>	<u>\$31.7</u>

	Main	Ojus	OSD	Total
Balance, 10/01/2002	\$10.4	\$1.1	\$ 19.6	\$31.1
Expense/(Credit)	(1.1)	-	1.9	.8
Other Reductions	(.1)	-	(.7)	(.8)
Balance, 09/30/2003	<u>\$ 9.2</u>	<u>\$1.1</u>	<u>\$20.8</u>	<u>\$31.1</u>

The liability balance of the inactive landfills for fiscal year 2004 is approximately \$ 31.7 million. When compared to the preceding year, the liability balance increased approximately \$600,000 reflecting the offsetting effects of (1) expenses recognized in the current period of approximately \$700,000, and (2) reductions of approximately \$100,000 for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Refer to Note 11 for additional information regarding beginning balance, additions, reductions and ending balance of liability for closure and postclosure care costs.

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MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

11. CHANGES IN LONG-TERM LIABILITIES FOR FISCAL YEARS 2004 AND 2003 ARE AS FOLLOWS:

	(In Thousands)				Due Within One Year
	Beginning Balance @ 10/1/03	Additions	Reductions	Ending Balance @9/30/04	
Bonds and loans payable:					
Revenue bonds	\$185,450	\$2,945 (a)	(\$11,320) (b)	\$177,075	\$11,870 (c)
Less deferred amounts:					
For issuance Bond Discount-Series 1998	(807)	-	53	(754)	-
Loss on refunding Bonds-Series 1996	(3,524)	-	514	(3,010)	-
Add deferred bond premium:					
Series 1996	681	-	(100)	581	-
1997 BANS	159	-	(11)	148	-
Series 2001	513	-	(29)	484	-
County SOB Series 2002A (Subordinate Debt)	1,695	-	(359)	1,336	-
County SOB Series 2004B (Subordinate Debt)	-	101 (a)	-	101 (a)	-
Less Current Portion (due within one year)	(11,320) (b)	(11,870) (c)	11,320 (b)	(11,870) (c)	-
Total bonds and loans payable, net of current portion	172,847	(8,824)	68	164,091	11,870 (c)
Other liabilities:					
Compensated absences & DIP	7,880	1,134	(10)	9,004	3,337
Liability for landfill closure/postclosure care costs	82,647	2,015	(883)	83,779	-
Other: (Special Obligations - Arbitrage)	450	-	(164)	286 (e)	- (d)
Other: (Assets held in trust)	1,481	-	-	1,481 (e)	- (d)
Total long-term liabilities	\$265,305	(\$5,675)	(\$989)	\$258,641	\$15,207

(a) Re/County's SOB

(b) See current portion of bonds payable fiscal year ended 9/30/2003

(c) See current portion of bonds payable fiscal year ended 9/30/2004

(d) Other- Special Obligations Arbitrage and Assets held in trust, all long-term.

(e) See Statement of Net Assets as of 9/30/04, total \$1,767

	(In Thousands)				Due Within One Year
	Beginning Balance @ 10/01/02	Additions	Reductions	Ending Balance @9/30/03	
Bonds and loans payable:					
Revenue bonds	\$194,640	-	(\$9,190) (b)	\$185,450	\$11,320 (a)
Less deferred amounts:					
For issuance Bond Discount-Series 1998	(861)	-	54	(807)	-
Loss on refunding Bonds-Series 1996	(4,039)	-	515	(3,524)	-
Add deferred bond premium:					
Series 1996	780	-	(99)	681	-
1997 BANS	170	-	(11)	159	-
Series 2001	544	-	(31)	513	-
County SOB Series 2002A (Subordinate Debt)	2,075	-	(380)	1,695	-
Less Current Portion (due within one year)	(9,190) (b)	(11,320) (a)	9,190 (b)	(11,320) (a)	-
Total bonds and loans payable, net of current portion	184,119	(11,320)	48	172,847	11,320 (a)
Other liabilities:					
Compensated absences & DIP	10,182	-	(2,302)	7,880	3,020
Liability for landfill closure/postclosure care costs	86,398	245	(3,996)	82,647	-
Other: (Special Obligations - Arbitrage)	342	108	-	450 (d)	-
Other: (Assets held in trust)	-	1,481	-	1,481 (d)	1,188 (c)
Total long-term liabilities	\$281,041	(\$9,486)	(\$6,250)	\$265,305	\$15,528

(a) See current portion of bonds payable as of 9/30/03

(b) See current portion of bonds payable as of 9/30/02

(c) See statement of net Assets as of 9/30/03, includes:

Assets held in trust, current portion	\$ 1,188
Other	43
Other current liabilities-other	\$ 1,231

(d) See Statement of Net Assets as of 9/30/03, total \$1,931

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

12. RESOURCES RECOVERY FACILITY

Montenay-Dade, Ltd. (the "Company") operates a resources recovery facility (the "Facility") for the County, pursuant to the Third Amended and Restated Operations and Management Agreement (the "Amended Agreement") that expires on October 31, 2023, as amended August 2, 2004. The agreement can be automatically extended for up to four additional five-year renewal terms that would expire on October 31, 2043. Solid waste is delivered to the Facility from the County's transfer stations, and directly from municipal customers and private haulers. The garbage and trash are processed into refuse derived fuel and then burned in four boilers that produce steam to turn two turbine generators.

Payments made to the Company under the Amended Agreement are primarily for Tipping Fees on the waste processed through the facility, subject to certain delivery and processing guarantees. The Company is also paid a 50% share of the revenues from the sale of electricity generated by the plant and purchased by Florida Power Corporation under a power purchase agreement. Accordingly, these payments are treated as an operations and maintenance expense.

In order to finance ongoing plant enhancements over the years, the County issued various prior debt instruments on behalf of the Company, which were refunded from the proceeds of the \$182.7 million Dade County, Florida Resource Recovery Facility Refunding Revenue Bonds issued in 1996 (the "Series 1996 Bonds"). Concurrent with the issuance of the Series 1996 Bonds, the Company issued a promissory note in favor of the County for the original principal amount of the Series 1996 Bonds. The County assigned this note to the Trust Estate created pursuant to the Trust Indenture, which provides that the Series 1996 Bonds are payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. Therefore, the County's obligation for the Series 1996 Bonds is strictly limited to stipulations in the Amended Agreement, which guarantee a minimum amount of annual Tipping Fees. The Series 1996 Bonds are a debt obligation of the Company, and are, therefore, not reflected in the accompanying financial statements. The principal balance of the bonds outstanding at September 30, 2004 is \$97.2 million.

The Bond proceeds were loaned to the Company pursuant to a September 1, 1996 Loan Agreement. This Loan Agreement requires the Company to assign all Tipping Fees and other operating revenues directly to the Trust Estate in an amount that, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

The County has guaranteed to deliver at least 936,000 tons per year of On-Site Waste for processing at the Facility plus up to an additional 100,000 tons, if requested by the Company, unless garbage is unavailable for delivery due to circumstances beyond the County's control. In that event, the County has guaranteed to deliver not less than 702,000 tons per year in On-Site Waste and at least 270,000 tons per year in Recyclable Trash. If the County fails to meet these guarantees, the County will be required to pay the agreed Tipping Fees as if it had in fact delivered the guaranteed tonnage. As of September 30, 2004 and 2003, the County was in compliance with the tonnage guarantees.

In addition to the tonnage guarantees, the County has also covenanted to establish rates at a level that will provide receipts in an amount sufficient to meet its obligation for minimum Tipping Fees under the Amended Agreement. In the event such receipts are insufficient, the County has covenanted that for so long as the Series 1996 Bonds are outstanding, it will appropriate in its annual budget, to the extent permitted, available non-advolorem revenues in an amount sufficient to meet its obligation for minimum Tipping Fees. This appropriation must be in accordance with the budgetary procedures provided by the laws of the State of Florida.

For fiscal years 2004 and 2003, the County recorded expenses of \$53.8 million and \$51.6 million, respectively, in Tipping Fees to the Company. The rates charged for Tipping Fees as of September 30, 2004 were \$30.95 per ton for on-site waste processing other than tires and \$69.39 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. The tipping fee for Recyclable Trash processed tons was \$26.60 per ton. Fuel and other by-products not returned to County facilities from the Recyclable Trash received a credit of \$1.60 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project tipping fee of \$2.67 per ton.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. This Agreement, which is also part of the Trust Estate, has no effect on the County's obligation under the Trust Indenture to pay the principal and interest on the Series 1996 Bonds. It provides for the Trustee to pay interest calculated at a variable rate to the counterparty in the swap. The counterparty, in turn, is required to pay the Trustee interest at a fixed rate. Should interest rates increase significantly or there be a significant reduction in marginal income tax rates, the County could be exposed to increased payment obligations through increased Tipping Fees.

On October 23, 1997, the County entered into a second swap agreement to take advantage of the interest rate savings between the variable taxable and tax exempt rates. This Agreement provides for the Trustee to pay interest at a fixed rate to the counterparty in the swap. The counterparty, in turn, pays the Trustee interest at a *taxable* variable rate. If the counterparty defaults or if the swap is terminated, the County will be exposed to the rates established in the Series 1996 Bonds. Termination may result in the Trustee making or receiving a termination payment. From inception through September 30, 2004, this swap had yielded total savings of approximately \$7.3 million, including negative savings during fiscal year 2004 of approximately \$276 thousand.

In the event of termination, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and Trust Indenture, or pay the Trustee an amount equal to the higher of (1) the Unamortized Capital Cost or (2) the minimum tipping fee amounts due under Section 7.1.9 of the Amended Agreement. The aggregate amounts of estimated Tipping Fees, to be paid under the Amended Agreement for future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 54,415,990
2006	54,186,716
2007	53,904,841
2008	53,666,070
2009	53,426,922
Thereafter	<u>211,209,149</u>
Total	<u>\$480,809,688</u>

The amounts above represent the County's share, net of the Company's contract obligations and the effect of the fixed to variable rate swap arrangements generating positive cash flows. The amounts are based on 936,000 tons of on-site waste plus 270,000 tons of RTI to be processed in fiscal year 2005 and annually thereafter. The amounts were computed using rates effective October 1, 2004.

13. COMMITMENTS AND CONTINGENCIES

Contract Disposal

The Department, as part of its Strategic Plan, has entered into long-term waste disposal contracts with two private regional disposal facility providers, Wheelabrator South Broward, Inc. ("Wheelabrator") and Waste Management Inc. of Florida ("Waste Management").

The Wheelabrator contract term was for one year with six annual renewal options and a mutual renewal option for an additional three years. During fiscal year 2003, the Department exercised its option not to renew the contract.

The Waste Management contract is effective until September 30, 2015, with two additional five-year renewal options. Under the terms of the contract, the County must deliver or direct to be delivered, a minimum of 100,000 tons per year to a landfill located in the Town of Medley, Florida. The County may dispose of a combined total of up to 500,000 tons per year at that site or the Central Sanitary Landfill located in Pompano Beach, Florida. The contract fixed the disposal fee paid by the County at \$24.50 per ton until October 1, 1999, providing for annual adjustments thereafter based on increases in the consumer price index (CPI). The disposal fee paid by the County

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

for the first 100,000 tons in fiscal years 2004 and 2003 was \$27.27 and \$26.70 per ton, respectively. As of September 30, 2004, the County was in compliance with this contract.

Litigation

The Department is a defendant in certain legal proceedings, which occur in the normal course of operations. In the opinion of the Department's legal counsel, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the Department.

Construction

The Department had contractual commitments of approximately \$1 million for construction at September 30, 2004.

Consent Orders

During fiscal year 2003 compliance with the CO (Carbon Monoxide) standard for the facility was 99.94%. One violation occurred on January 27, 2003. This was settled with FDEP (Florida Department of Environmental Protection) after the close of fiscal year 2003 (November 18, 2003) via a short form Consent Order (OGC File # 03-0869). A total payment of \$5,250 (\$5,000 in penalties; and \$250 in administrative costs) was remitted.

The Operator, Montenay Power Corp (MPC) received five Warning Letters from the FDEP for violations alleged to have occurred during FY 2004 or earlier. Warning Letter WL04-0007AS13SED was issued February 24, 2004 and alleged circumvention of the pollution control system via a breach in the water wall fabric of Boiler #3. The penalty of \$8500 plus \$250 in administrative costs has agreed to be resolved by the operator and FDEP via implementation of an approved Pollution Prevention (P2) project in lieu of penalties and entry into a short form consent order. As a result of a CO exceedence in Boiler 2 on April 2, 2004, Warning letter WL04-0024AS13SED was issued October 15, 2004. This has been agreed to be resolved through implementation of a P2 project in lieu of a \$7500 penalty. Three other warning letters, dated after September 30, 2004, are currently under negotiation and pending resolution with the agency. They are: WL04-0018AS13SED issued October 21, 2004 alleging violation of the Hydrogen Chloride and Dioxin/Furans standards during the stack test of Boiler 1, which was conducted December 14 through 18, 2003; WL04-0033AS13SED issued January 3, 2005 for failure to report all non-compliance items in the Statement of Compliance for 2003 and which proposes a \$500 penalty plus \$150 administrative fee; and WL05-0001AS13SED issued January 11, 2005 alleging CO Emissions greater than allowed per quarter for calendar years 2002, 2003 and 2004.

Rates and Fees

The Department's basic residential garbage and trash collection rates per household per year for the fiscal years ended September 30, 2004 and 2003 were as follows:

	<u>2004</u>	<u>2003</u>
Residential Curbside Collection	\$399	\$349
Residential Dumpster Service	\$308	\$269

The residential dumpster service of \$308 per year was established by the Board on October 1, 2004, increasing the former fee from \$269. This fee applies to approximately 2,454 waste units corresponding to the 2,454 accounts.

The garbage collection fees for commercial and multi-family units ranged from \$214.60 to \$822.59 per month for Customer-owned rollaway and \$230.73 to \$869.25 per month for County-owned rollaway. The fees range depending on the number of collections per week, the size of the rollaway container (dumpster), and ownership (county or customer) of the container.

MIAMI - DADE COUNTY, FLORIDA
DEPARTMENT OF SOLID WASTE MANAGEMENT
NOTES TO FINANCIAL STATEMENTS

The Department's basic disposal (tipping fee and transfer fee) fee rates per ton for the fiscal years ended September 30, 2004 and 2003 were as follows:

	<u>2004</u>	<u>2003</u>
Contract Disposal	\$50.65	\$49.65
Non-contract Disposal	\$66.80	\$65.45
Tires	\$75.00	\$75.00
Transfer Fee	\$10.05	\$ 9.85

The contract disposal rate is only available to long-term contract customers and municipalities with long-term interlocal agreements. The contract rate is increased annually based on the consumer price index.

Waste collection services for the fiscal year ended September 30, 2004, totaled approximately \$123.2 million and comprised approximately 55.5 % of total operating revenues. For the same period, disposal services totaled approximately \$ 53.8 million and comprised approximately 24.2% of total operating revenues.

14. SUBSEQUENT EVENTS

Series 2005 Resolution

On February 1, 2005, the Board of County Commissioners of Miami-Dade County, Florida adopted a resolution authorizing the issuance of Miami-Dade County, Florida Solid Waste System Revenue Bonds, Series 2005 Bonds (the "Series 2005 Bonds"), in aggregate principal amount not to exceed \$75,000,000. The Series 2005 Bonds are for the purposes of (i) paying or reimbursing the County for the costs of certain solid waste disposal projects (such as closure of former Munisport landfill located in the City of North Miami \$31.027 million; closure of former municipal landfill located in the City of Homestead \$7.5 million; closure of Cell Three located at the South Miami-Dade Landfill \$6.708 million; closure of former Virginia Key Landfill located in City of Miami, Phase 1 \$27.635 million; closure study of former Virginia Key landfill located in City of Miami \$650,000; and construction of groundwater remediation project at the North Miami-Dade Landfill \$1.48 million), (ii) providing for the funding of the Reserve Account, including the cost of any Reserve Account Credit Facility as may be deemed advisable and (iii) paying costs of issuance of the Series 2005 Bonds, including, bond insurance policy or reserve account credit facility if any.

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SUPPLEMENTAL SCHEDULES— SUPPLEMENTARY FINANCIAL INFORMATION

The following section includes the financial statements of the Solid Waste Disposal and Solid Waste Collection Systems. These systems' financial statements, identified as Supplemental Schedules, are furnished solely as supplementary information and are not required by accounting principles generally accepted in the United States of America.

20
04



Miami-Dade County, Florida
Department of Solid Waste Management
Disposal System
Supplemental Schedules of Net Assets

	At September 30,	
	2004	2003
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Unrestricted Assets		
Cash & cash equivalents	\$ 17,095	\$ 4,044
Investments	16,782	32,252
Accounts receivable, net	11,025	9,960
Due from other governments	0	93
Other current assets	495	497
Total Unrestricted Assets	<u>45,397</u>	<u>46,846</u>
Restricted Assets		
Cash & cash equivalents	34,501	7,735
Investments	34,048	61,510
Accounts receivable	7,081	6,700
Total Restricted Assets	<u>75,630</u>	<u>75,945</u>
Total Current Assets	<u>121,027</u>	<u>122,791</u>
NON-CURRENT ASSETS		
Capital Assets, net	<u>231,738</u>	<u>247,009</u>
Total Capital Assets	<u>231,738</u>	<u>247,009</u>
Other Assets		
Loan receivable from other county funds	572	835
Other assets	7,822	8,076
Total Other Assets	<u>8,394</u>	<u>8,911</u>
Total Non-Current Assets	<u>240,132</u>	<u>255,920</u>
TOTAL ASSETS	<u>\$ 361,159</u>	<u>\$ 378,711</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	\$ 6,690	\$ 7,953
Due to other County funds	1,981	1,981
Due to other governments		37
Other current liabilities - compensated absences	1,584	1,397
Other current liabilities - other	135	842
Total Payable from Unrestricted Assets	<u>10,390</u>	<u>12,210</u>
Payable from Restricted Assets		
Accrued interest payable	3,956	4,194
Current portion of bonds, notes & loans payable	10,115	9,630
Accounts payable, restricted	257	443
Total Payable from Restricted Assets	<u>14,328</u>	<u>14,267</u>
Total Current Liabilities	<u>24,718</u>	<u>26,477</u>
LONG-TERM LIABILITIES		
Bonds & notes payable, net	142,108	151,797
Liability for closure & postclosure care costs	83,779	82,647
Other long-term liabilities - compensated absences	4,257	3,638
Other long-term liabilities - other	1,767	1,931
Total Long-Term Liabilities	<u>231,911</u>	<u>240,013</u>
Total Liabilities	<u>256,629</u>	<u>266,490</u>
NET ASSETS		
Invested in Capital Assets, net of Related Debt	<u>80,309</u>	<u>90,076</u>
Restricted for:		
Debt service	14,071	13,824
Other purposes	59,095	55,802
Total Restricted	<u>73,166</u>	<u>69,626</u>
Unrestricted (Deficit)	<u>(48,945)</u>	<u>(47,481)</u>
TOTAL NET ASSETS	<u>\$ 104,530</u>	<u>\$ 112,221</u>

Miami-Dade County, Florida
Department of Solid Waste Management
Disposal System
Supplemental Schedules of Revenues and Expenses

	<u>For the years ended September 30,</u>	
	<u>2004</u>	<u>2003</u>
	(In thousands)	
Operating Revenues		
Solid waste disposal services	\$ 53,781	\$ 53,235
Utility service fees	15,798	14,824
Electricity sales	16,593	19,195
Other operating revenues	<u>10,144</u>	<u>8,480</u>
Total	<u>96,316</u>	<u>95,734</u>
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	13,992	12,375
Waste-to-energy	64,748	65,383
Transfer operations	24,844	17,418
Recycling	5	130
Facility maintenance	1,065	683
County wide lot clearing	115	(17)
Enforcement and environmental compliance	3,381	3,739
General and administrative	<u>10,593</u>	<u>9,256</u>
Total	<u>118,743</u>	<u>108,967</u>
Depreciation	<u>24,342</u>	<u>21,589</u>
Closure & Postclosure Care Costs for Inactive Landfills	<u>642</u>	<u>798</u>
Operating Loss	<u>(47,411)</u>	<u>(35,620)</u>
Non-Operating Revenues (Expenses)		
Interest income	853	1,278
Interest expense	(7,754)	(8,923)
Intergovernmental revenue	260	429
Other non-operating, net	<u>(171)</u>	<u>(200)</u>
Total	<u>(6,812)</u>	<u>(7,416)</u>
Loss Before Capital Contributions	<u>(54,223)</u>	<u>(43,036)</u>
Capital Contributions		
Contributions	<u>0</u>	<u>973</u>
Net Loss	<u>\$ (54,223)</u>	<u>\$ (42,063)</u>

Miami-Dade County, Florida
Department of Solid Waste Management
Waste Collection System
Supplemental Schedules of Net Assets

	At September 30,	
	2004	2003
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Unrestricted Assets		
Cash & cash equivalents	\$ 958	\$ (285)
Investments	909	(2,215)
Accounts receivable, net	2,228	2,225
Due from other governments	1,462	190
Total Unrestricted Assets	5,557	(85)
Restricted Assets		
Cash & cash equivalents	8,909	1,627
Investments	8,792	12,942
Total Restricted Assets	17,701	14,569
Total Current Assets	23,258	14,484
NON-CURRENT ASSETS		
Capital Assets, net	21,303	26,695
Total Capital Assets	21,303	26,695
Other Assets		
Due from other County funds	994	1,709
Other assets	4,708	1,130
Total Other Assets	5,702	2,839
Total Non-Current Assets	27,005	29,534
TOTAL ASSETS	\$ 50,263	\$ 44,018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	\$ 4,083	\$ 3,516
Due to other County funds	322	446
Other current liabilities - compensated absences	1,753	1,623
Other current liabilities - other	293	389
Total Payable from Unrestricted Assets	6,451	5,974
Payable from Restricted Assets		
Accrued interest payable	483	517
Current portion of bonds, notes & loans payable	1,755	1,690
Total Payable from Restricted Assets	2,238	2,207
Total Current Liabilities	8,689	8,181
LONG-TERM LIABILITIES		
Bonds & notes payable, net	21,983	21,050
Other long-term liabilities - compensated absences	4,747	4,242
Total Long-Term Liabilities	26,730	25,292
Total Liabilities	35,419	33,473
NET ASSETS		
Invested in Capital Assets, net of Related Debt	14,538	17,770
Restricted for:		
Debt service	497	517
Other purposes		
Total Restricted	497	517
Unrestricted (Deficit)	(191)	(7,742)
TOTAL NET ASSETS	\$ 14,844	\$ 10,545

Miami-Dade County, Florida
Department of Solid Waste Management
Waste Collection System
Supplemental Schedules of Revenues and Expenses

For the years ended September 30,

2004

2003

(In thousands)

Operating Revenues

Solid waste collection services

\$ 123,224

\$ 104,785

Other operating revenues

2,432

3,623

Total

125,656

108,408

Operating Expenses

Garbage collection

34,415

32,518

Trash collection

13,186

18,429

Recycling

10,170

10,119

Litter control

1,384

1,467

Enforcement and environmental compliance

2,730

3,564

General and administrative

9,638

9,727

Total

71,523

75,824

Depreciation

3,571

3,767

Operating Income

50,562

28,817

Non-Operating Revenues (Expenses)

Interest income

348

680

Interest expense

(1,039)

(700)

Intergovernmental revenue

Other non-operating, net

960

459

Total

269

439

Income Before Capital Contributions

50,831

29,256

Capital Contributions

Contributions

-

-

Net Income

\$ 50,831

\$ 29,256



STATISTICAL SECTION

20
04



**DEPARTMENT OF SOLID WASTE MANAGEMENT
SCHEDULE OF REVENUES AND EXPENSES
LAST TEN YEARS
(In thousands)
TABLE I**

OPERATING REVENUE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Tipping Fees	\$39,036	\$43,944	\$46,211	\$44,083	\$49,557	\$56,346	\$45,783	\$51,951	\$52,722	\$53,066
Medley Surcharge	4,024	2,529	3,122	1,858	1,901	1,276	1,611	1,031	513	715
Electrical Revenue	12,667	13,481	10,228	10,464	12,791	15,671	15,080	16,383	19,195	16,593
Utility Service Fee		13,381	13,596	13,256	14,805	15,323	14,587	14,528	14,824	15,798
Disposal Facility Fee		3,517	4,757	5,296	6,905	8,227	8,339	8,089	8,157	8,286
Collections Revenue	102,443	89,793	92,118	93,468	95,252	97,954	101,912	100,599	104,785	123,224
Other Operating Revenue (1)				427	2,132	2,190	4,391	3,973	3,946	4,290
Total Operating Revenues	158,170	166,645	170,032	168,852	183,343	196,987	191,703	196,554	204,142	221,972
OPERATING & MAINTENANCE EXPENSES										
Landfill Operations	17,538	6,622	11,904	5,987	15,637	28,592	5,290	19,042	12,375	13,992
Transfer Operations	13,234	13,287	14,262	13,717	14,236	13,196	15,189	16,617	17,418	24,844
Waste-to-Energy	40,820	43,537	44,805	47,382	48,925	58,970	61,550	61,366	65,383	64,748
Garbage Collections	23,254	23,785	25,824	25,419	25,950	24,782	27,924	31,394	32,518	34,415
Trash Collections	15,336	12,705	13,120	13,234	12,461	12,067	15,379	16,018	18,429	13,186
Recycling	8,934	11,834	8,997	8,999	9,089	9,637	9,400	10,106	10,249	10,175
Other Operating	16,279	13,315	18,394	20,583	22,141	23,898	26,346	28,781	28,419	28,906
Total Operating Expenses	135,395	125,085	137,306	135,321	148,439	171,142	161,078	183,324	184,791	190,266
Operating Income Before Depreciation & Other	22,775	41,560	32,726	33,531	34,904	25,845	30,625	13,230	19,351	31,706
Depreciation	17,926	19,286	18,342	17,914	15,721	14,436	23,454	23,581	25,356	27,913
Closure and postclosure costs (recovery) for inactive landfills		68,067	22,102	(10,495)	3,478	704	(1,000)	(2,412)	798	642
Operating Income (Loss)	4,849	(45,793)	(7,718)	26,112	15,705	10,705	8,171	(7,939)	(6,803)	3,151
NON-OPERATING REVENUE (EXPENSE)										
Interest Income	8,539	7,464	4,689	4,651	4,700	6,134	6,265	2,914	1,958	1,201
Interest Expense	(12,461)	(11,556)	(7,365)	(7,970)	(8,525)	(7,954)	(8,777)	(9,224)	(9,623)	(8,793)
Operating Grants	4,229	4,161	3,473	2,502	2,535	3,642	1,636	181	429	260
Other	310	347	389	(8,002)	(3,366)	(3,724)	(577)	(607)	259	789
Non-Operating Income (Expense), Net	617	416	1,186	(8,819)	(4,656)	(1,902)	(1,453)	(6,736)	(6,977)	(6,543)
Income (Loss) Before Transfers & Capital Contributions	5,466	(45,377)	(6,532)	17,293	11,049	8,803	6,718	(14,675)	(13,780)	(3,392)
OPERATING TRANSFERS (1)		(35,796)	(1,336)							-
CAPITAL CONTRIBUTIONS							10,569	9,986	973	-
Changes in Net Assets	\$5,466	(\$81,173)	(\$7,868)	\$17,293	\$11,049	\$8,803	\$17,287	(\$4,689)	(\$12,807)	(\$3,392)

Note: Revenues and expenses for disposal fees paid by the Collection System to the Disposal System have been eliminated in this presentation.

(1) For fiscal years 1998 through 2001 certain intergovernmental transfers have been included in the total for other non-operating income / (expense), except for 2001 UMSA revenues, which have been reclassified herein to operating revenues to conform with the fiscal years 2002 through 2004 financial statements presentation.

**DEPARTMENT OF SOLID WASTE MANAGEMENT
SOLID WASTE STREAM COMPONENTS EXPLAINED*
TABLE II**

Garbage	Trash	Construction and Demolition Debris (C&D)	Agricultural Waste
Source:	Source:	Source:	Source:
Household and businesses.	Household and businesses.	Construction and demolition projects.	Farming.
Waste types:	Waste types:	Waste types:	Waste types:
Paper, food waste, glass containers, meal cans, plastics, disposable diapers, aviation ash and recycling residue.	Paper, wood, yard trash textiles, glass, plastics, metals, furniture and other large bulky waste items.	Concrete, brick, wood, metals, glass, and roofing materials.	Spoiled or undesirable fruits and vegetables.
Characteristics:	Characteristics:	Characteristics:	Characteristics:
Contains waste materials that rot, smell, produce liquids, and dissolve in water. Has significant potential to contaminate ground and surface waters. If landfilled it should contain only minute amounts of yard trash.	Contains only minute amounts of food waste. Has lesser potential than garbage to contaminate ground and surface waters.	Generally inert material that does not degrade easily or dissolve in water.	These materials are high in organic content and degrade quickly.
Typical Management Methods:	Typical Management Methods:	Typical Management Methods:	Typical Management Methods:
Recycling, Class I (lined) landfill or incinerator.	Recycling, Class III landfill (which may not require a liner), Class I lined landfill if yard trash is eliminated, or incinerator.	Recycling, C&D unlined landfill, Class III landfill, Class I landfill.	Typically spread on crop fields to increase organic content of soils.

IMPORTANT NOTE: If a particular waste stream component is mixed with a waste stream component that requires a more stringent method of disposal, the entire waste mix must be disposed of using the more stringent methods. For example: if garbage is mixed with trash the entire mix must be disposed of as garbage. Garbage disposal requirements are more stringent than those for trash alone.

* The above information is introductory in nature and is not intended as an exhaustive analysis.

** This category includes household hazardous waste which is exempt from regulation under RCRA due to small quantities generated by households. Such waste may be lawfully placed in a Class I landfill.

DEPARTMENT OF SOLID WASTE MANAGEMENT
SOLID WASTE STREAM COMPONENTS EXPLAINED*
TABLE II

Special Waste	Bio-Medical Waste	Hazardous Waste
Source:	Source:	Source:
Environmental clean-up utilities, governments and businesses.	Hospitals, clinics, doctor's offices, and medical research facilities.	Businesses, academic research facilities, and households.**
Waste types:	Waste types:	Waste types:
Contaminated soil, sewage sludge, tires, sterilized medical waste, asbestos, and dead animals.	Dressing, sharps, body tissues, disposable glass or plastic containers, etc.	Corrosive, reactive, and toxic chemicals classified as hazardous wastes under the Resource Conservation and Recovery Act (RCRA)
Characteristics:	Characteristics:	Characteristics:
Materials that require special handling due to their unique composition or concentration. Immediate cover is often required.	Materials with a high potential for spread of disease. Must be separated from other wastes.	Materials with a high potential to contaminate the environment. Human or animal contact with these materials is very dangerous. These materials are often highly flammable, toxic and/or corrosives.
Typical Management Methods:	Typical Management Methods:	Typical Management Methods:
Class I landfill.	Medical waste incinerator. Ash or sterilized medical waste must be disposed of in a Class I landfill.	Fuel blending for reuse, chemical neutralization, hazardous waste incinerator, or hazardous waste depending on material type.

**DEPARTMENT OF SOLID WASTE MANAGEMENT
DISPOSAL SYSTEM - TONNAGES
TABLE III A**

REVENUE TONS:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Clean Yard Trash	52,768	54,701	37,917	47,968	66,273	107,179	87,551	93,436	96,967	53,707
Garbage	601,207	704,147	859,307	883,208	933,714	911,015	900,246	955,944	1,011,420	1,034,834
Trash (1)	543,115	609,069	616,561	605,807	627,876	668,141	671,102	740,125	725,796	657,097
Storm Related Waste				15,865	6,727	68,133	1,982		2,847	19,952
C & D	12,477	9,170	1,349	344	248	304	1,328	83	1	20
Whole Tires (2)	17,628	12,912	12,633	11,819	13,303	15,742	14,177	13,801	14,869	18,066
Special Waste (3)	44,025	40,843	27,357	5,718	5,438	5,140	6,560	6,010	7,960	6,929
Reduced Fee Cover Material		374,777	3,126	283		24,042		14,330		20,428
Total Revenue Tons (4)	1,271,220	1,805,619	1,558,250	1,571,012	1,653,579	1,799,696	1,682,946	1,823,729	1,859,860	1,811,033
Ojus/OSD Waste		50,451	146,725	3,148						
Resources Recovery Plant Demolition & Stormwater Drainage & Cleanout material							44			
Closure debris from RR ashfill to ND										33,442
DSWM furniture to ND										40
Resources Recovery Capital Expenses			9,952							
Total Tons(4A)/(7)	1,271,220	1,856,070	1,714,927	1,574,160	1,653,579	1,799,696	1,682,990	1,823,729	1,859,860	1,844,515
Equivalent Revenue Tons(4B)	1,271,220	1,528,499	1,586,043	1,571,689	1,653,579	1,780,841	1,682,946	1,812,306	1,859,860	1,794,638
NET DISPOSED TONS:										
South Dade Landfill	279,466	149,105	301,790	214,653	251,245	380,538	304,573	363,968	429,150	503,846
North Dade Landfill	249,642	341,596	371,615	360,022	374,117	318,200	231,014	331,345	315,522	317,758
Resources Recovery Net Incinerated	566,719	577,100	478,538	557,053	565,712	520,894	537,229	565,489	582,394	495,023
Resources Recovery Ashfill	69,171	184,146	126,848	138,892	143,367	146,705	169,063	147,960	144,100	148,769
Contract Disposal: To Waste Management		93,211	201,402	116,427	140,066	141,457	200,962	122,502	143,107	130,319
To Wheelabrator		73,821	106,076	92,425	60,505	68,654	44,364	51,762	7,670	
Total Net Ton's Disposed	1,164,998	1,418,979	1,586,269	1,479,472	1,535,012	1,576,448	1,487,205	1,583,026	1,621,943	1,595,715
FACILITY RECYCLING:										
Clean Yard Trash (5)	41,010			21		16	23		7	
Tires to Vendors	4	28								
Metal to Vendors	25,233	24,206	19,182	24,755	28,720	25,494	34,889	32,983	36,024	34,978
White Goods to Vendor	35						14			7
Unders to Test										
Ash for Testing					24					
RTI Biomass Fuel (6)			64,537	5,952	25,949	102,316	113,257	98,033	143,251	179,484
RTI Fines Recycling			17,136	4,128	17,104	27,648	16,523			
RTI On-Site Biomass			6,556			2,304	8,824			
RTI On-Site Fines Recycling			4,344	44,050	33,758	34,072	2,289			
Agripost										
Cow Project		196								
Total Facility Recycling	66,282	24,430	111,755	78,906	105,555	191,850	175,819	131,016	179,282	214,469
RESOURCES RECOVERY PUT OR PAY	882,979	903,572	855,572	957,910	990,319	1,060,903	1,136,801	1,137,762	1,221,605	1,183,575
TRANSFER STATION:										
Central	126,375	201,876	187,874	167,197	202,953	205,614	211,237	232,772	234,982	232,381
West	287,045	294,758	273,512	265,150	267,212	280,364	260,088	280,642	293,371	278,503
Northeast	183,811	216,432	223,556	207,231	206,593	212,693	212,720	214,398	204,049	229,297
Total Transfer Station	597,231	713,066	684,942	639,578	676,758	698,671	684,045	727,812	732,402	740,181
Non Contractual Diversion	950,000	730,000	620,000	648,000	682,000	639,000	709,000	555,000	726,000	709,000

(1) Trash includes oversize tires to North Dade Landfill. (2) Whole tires are accepted at Resources Recovery only. (3) Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste. (4) Total Revenue Tons figure excludes ash from Okeelanta to RR-Ashfill in FY 2000, pursuant to agreement accepted in lieu of fines. (4A) Total Tons figures herein were reported as Revenue Tons in filings prior to FY 2000. Disposal costs for construction tonnage (Ojus/OSD Waste and RR-Capital Expenses) were reimbursed from capital projects. (4B) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at \$45-\$50.65 per ton; for FY 2000 the difference between Total Revenue Tons and Equivalent Revenue Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage. (5) Clean yard trash was treated as regular trash due to citrus canker infestation during 1996 and 1997. (6) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses. (7) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

DEPARTMENT OF SOLID WASTE MANAGEMENT
DISPOSAL SYSTEM REVENUE TONS SOURCE
TABLE III B

TONNAGE BY SOURCE	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Municipalities:										
Bal Harbour Village	5,035	5,225	5,500	5,378	5,662	6,095	5,634	5,536	5,762	5,855
Town of Bay Harbor Islands	1,378	87	87	107	126	172	193	189	207	307
Village of Biscayne Park	2,571	2,597	2,620	2,724	2,767	3,034	2,765	2,750	2,211	2,459
City of Coral Gables	34,212	34,805	33,891	36,123	37,560	41,713	20,467	13,366	20,735	24,207
Florida City							1			
Golden Beach	348	10	1	9			164	181	91	98
City of Hialeah	32,611	1,341	66,684	78,707	80,075	82,404	83,468	85,711	87,216	88,978
Hialeah Gardens					402	779	1,150	1,531	1,539	1,808
City of Homestead	20,450	21,152	22,330	23,983	26,006	30,191	31,343	33,186	37,996	40,130
City of Miami	7,049	110,080	160,796	167,156	173,673	177,712	171,892	188,685	193,534	177,297
City of Miami Beach	1,497	1,522	1,709	1,735	2,117	3,257	2,579	4,189	4,387	4,351
Village of Miami Shores	559	464	6,550	8,109	8,253	7,904	7,972	6,917	6,938	8,200
City of Miami Springs	5,301	8,906	10,850	12,190	11,378	11,518	10,360	10,377	11,481	11,944
City of North Bay Village	3,663	3,459	3,649	3,697	3,637	3,831	4,010	4,382	4,636	4,987
City of North Miami	686	24,120	24,079	24,795	26,265	27,779	27,729	28,027	25,385	27,234
City of North Miami Beach	197	16,750	31,188	34,294	37,505	38,786	37,657	38,755	40,388	41,677
City of Opa-Locka	9,826	9,234	8,817	8,806	8,754	11,451	8,913	9,214	9,335	77
City of South Miami	10,853	10,758	10,678	10,794	10,425	10,416	10,273	10,293	9,828	10,937
Town of Surfside		2,208	4,305	4,440	4,404	4,639	4,771	4,882	5,035	5,240
City of Sweetwater	1,472	1,592	1,828	2,156	2,350	3,054	3,203	2,662	2,900	3,367
Virginia Gardens					1					
City of West Miami	2,705	2,929	2,946	2,901	3,122	3,338	3,446	3,331	3,495	3,817
Total Municipalities	<u>140,413</u>	<u>257,239</u>	<u>398,508</u>	<u>428,104</u>	<u>444,482</u>	<u>468,073</u>	<u>437,990</u>	<u>454,164</u>	<u>473,099</u>	<u>462,970</u>
Permitted Haulers:										
BFI	176,033	272,656	305,198	303,389	303,659	252,738	224,611	233,170	237,874	234,928
WMI	89,632	91,988	88,202	91,328	91,820	93,294	90,959	91,191	92,281	93,056
Onyx (3)					13,741	14,393	3,789	12,709		
Other Permitted Haulers	81,578	67,402	59,699	49,950	63,785	72,986	78,116	95,009	90,675	99,038
Total Permitted Haulers	<u>347,243</u>	<u>432,046</u>	<u>453,099</u>	<u>444,667</u>	<u>473,005</u>	<u>433,411</u>	<u>397,475</u>	<u>432,079</u>	<u>420,830</u>	<u>427,022</u>
DSWM Collections	670,336	632,909	610,541	642,720	670,576	750,381	768,670	843,696	885,765	834,101
DSWM County-wide Lot Clearing						16,609	2,269	2,708	2,355	2,851
Other Governmental	107,382	104,712	92,780	55,138	65,430	107,166	76,542	76,752	77,811	63,661
MRF and Namco Recycling Residue	5,846	3,936	196	100	86	14				
Subtotal Full Fee Revenue Tons	1,271,220	1,430,842	1,555,124	1,570,729	1,653,579	1,775,654	1,682,946	1,809,399	1,859,860	1,790,605
Reduced Fee Cover Material		374,777	3,126	283		24,042		14,330		20,428
Total Revenue Tons	1,271,220	1,805,619	1,558,250	1,571,012	1,653,579	1,799,696	1,682,946	1,823,729	1,859,860	1,811,033
DSWM Construction Tons		50,451	156,677	3,148						
Closure debris from RR ashfill to ND										33,442
DSWN furniture to ND (no fee)										40
Resources Recovery Plant Demolition & Stormwater Drainage & Cleanout material							44			
Total Tons (1)	<u>1,271,220</u>	<u>1,856,070</u>	<u>1,714,927</u>	<u>1,574,160</u>	<u>1,653,579</u>	<u>1,799,696</u>	<u>1,682,990</u>	<u>1,823,729</u>	<u>1,859,860</u>	<u>1,844,515</u>
Equivalent Revenue Tons (2)	<u>1,271,220</u>	<u>1,528,499</u>	<u>1,586,043</u>	<u>1,571,689</u>	<u>1,653,579</u>	<u>1,780,841</u>	<u>1,682,946</u>	<u>1,812,306</u>	<u>1,859,860</u>	<u>1,794,638</u>

(1) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received

(2) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at \$45-\$50.65 per ton; for FY2000 the difference between Total Rev. Tons & Eq. Rev. Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

(3) Combined with other permit haulers in FY 2003.

**DEPARTMENT OF SOLID WASTE MANAGEMENT
COLLECTION SYSTEM - TONNAGE BY TYPE
TABLE IV A**

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GARBAGE	<u>307,830</u>	<u>319,941</u>	<u>331,542</u>	<u>345,258</u>	<u>363,136</u>	<u>382,100</u>	<u>393,618</u>	<u>416,418</u>	<u>439,649</u>	<u>452,736</u>
TRASH										
Bulky Waste	65,087	64,934	51,881	57,749	57,607	69,438	72,537	71,426	75,947	91,603
Clean Yard Trash	1,408									
Total Bulky Waste	<u>66,495</u>	<u>64,934</u>	<u>51,881</u>	<u>57,749</u>	<u>57,607</u>	<u>69,438</u>	<u>72,537</u>	<u>71,426</u>	<u>75,947</u>	<u>91,603</u>
ILLEGAL DUMPING										
Illegal Dumped Waste	10,325	14,667	17,175	14,282	16,747	10,105	7,628	11,910	7,597	1,488
Illegal Tires	3,534	2,666	2,237		1,395	1,394	1,268	1,102	698	500
Total Illegal Dumping	<u>13,859</u>	<u>17,333</u>	<u>19,412</u>	<u>14,282</u>	<u>18,142</u>	<u>11,499</u>	<u>8,896</u>	<u>13,012</u>	<u>8,295</u>	<u>1,988</u>
NEIGHBORHOOD TRASH & RECYCLING CENTERS										
Trash (Household and Non-household)	235,541	174,315	167,689	162,239	162,380	155,706	193,857	233,962	249,179	159,875
Other Trash- Landscapers										43,434
Clean Yard Trash	42,967									
Tires	1,217	1,177	1,202	1,064	973	880	779	860	945	929
Other Waste				60	84	32	60	40	39	59
Total Neighborhood T & R Center	<u>279,725</u>	<u>175,492</u>	<u>168,891</u>	<u>163,363</u>	<u>163,437</u>	<u>156,618</u>	<u>194,696</u>	<u>234,862</u>	<u>250,163</u>	<u>204,297</u>
GOVERNMENT ACCOUNTS										
Trash	2,366	2,761	3,725	3,588	4,786	4,867	7,436	7,792	6,630	5,888
Whole Tires	61	89	40	86	23	43	71	60	17	92
Total Trash Government Accounts	<u>2,427</u>	<u>2,850</u>	<u>3,765</u>	<u>3,674</u>	<u>4,809</u>	<u>4,910</u>	<u>7,507</u>	<u>7,852</u>	<u>6,647</u>	<u>5,980</u>
BI-WEEKLY YARD TRASH LOT CLEARING (CAT3) ADOPT-A-SPOT SPECIAL CLEANUPS OVERSIZED VEHICLES FR T&R CENTERS DSWM LITTER PROGRAM DEMOLITION TONNAGE PERMITTED LANDSCAPERS										
					703	1,656	6,205	5,709	4,061	868
							146	11		
							1,427			
				807	650	1,220	1,350	955	759	680
						752	647	1,141	1,303	1,134
				761		2,360	2,322			
		52,359	35,050	43,999	57,192	68,182	77,784	92,310	96,094	53,028
TOTAL TRASH	<u>362,506</u>	<u>312,968</u>	<u>278,999</u>	<u>284,635</u>	<u>302,540</u>	<u>316,635</u>	<u>373,517</u>	<u>427,278</u>	<u>443,269</u>	<u>359,578</u>
TOTAL TRASH AND GARBAGE	<u>670,336</u>	<u>632,909</u>	<u>610,541</u>	<u>629,893</u>	<u>665,676</u>	<u>698,735</u>	<u>767,135</u>	<u>843,696</u>	<u>882,918</u>	<u>812,314</u>
STORM RELATED TONNAGE				12,827	4,900	51,646	1,535			
Garbage									278	1,724
Trash (curbside)									2,569	5,728
HURRICANE DEBRIS										
Roadway Clearance										
Trash & Recycling Centers										14,261
Litter Program										3
Government Accounts										71
TOTAL STORM RE/ TONNAGE & HURRICANE DEBRIS	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,827</u>	<u>4,900</u>	<u>51,646</u>	<u>1,535</u>	<u>-</u>	<u>2,847</u>	<u>21,787</u>
TOTAL GARBAGE, TRASH & STORM RE/TONNAGE & HURRICANE DEBRIS	<u>670,336</u>	<u>632,909</u>	<u>610,541</u>	<u>642,720</u>	<u>670,576</u>	<u>750,381</u>	<u>768,670</u>	<u>843,696</u>	<u>885,765</u>	<u>834,101</u>
RECYCLED CLEAN YARD TRASH	<u>18,392</u>	<u>2,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECYCLABLES (T & R CENTERS)										
Phone Books	14									
Newspaper/Cardboard	408	281	180							
Glass	144									
Aluminum	1									
Plastic Bottles	1									
White Goods	4,860	4,970	4,927	2,959	3,570	4,711	5,155	4,064	6,415	6,729
Ferrous Metal	17									
TOTAL T&R RECYCLABLES	<u>5,445</u>	<u>5,251</u>	<u>5,107</u>	<u>2,959</u>	<u>3,570</u>	<u>4,711</u>	<u>5,155</u>	<u>4,064</u>	<u>6,415</u>	<u>6,729</u>
CURBSIDE RECYCLABLES										
Phone Books	109	60	81	81			32			
Newspaper/Cardboard	29,755	24,552	25,237	25,685	26,277	26,967	23,235	22,134	21,163	19,240
Glass Bottles	11,202	11,985	12,393	10,425	11,732	12,334	9,706	9,568	9,265	9,598
Aluminum	717	631	571	501	497	529	494	434	412	333
Plastic Bottles & Other Plastics	2,966	3,297	3,585	3,330	4,220	3,583	3,875	4,272	4,181	4,108
Steel Cans	1,889	2,237	2,335	1,924	1,907	2,133	1,852	1,652	1,462	1,373
Batteries	11	11	7	3	8	10	3			
Septic & Gable Containers			75	33	80	83	126	114	124	1,418
TOTAL CURBSIDE RECYCLABLES	<u>46,649</u>	<u>42,773</u>	<u>44,284</u>	<u>41,982</u>	<u>44,721</u>	<u>45,639</u>	<u>39,323</u>	<u>38,174</u>	<u>36,607</u>	<u>36,070</u>

DEPARTMENT OF SOLID WASTE MANAGEMENT
COLLECTION SYSTEM - TONNAGE BY FACILITY
TABLE IV B

COLLECTIONS DISPOSAL:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Transfer Station										
Garbage	235,980	240,992	237,941	207,233	217,211	232,275	251,447	279,377	290,375	293,249
Storm Related Tonnage					101	19,147	904		1,724	2,237
Trash	143,763	151,010	125,915	100,101	109,414	115,174	112,877	125,414	111,224	108,304
Total Transfer Station	379,743	392,002	363,856	307,334	326,726	366,596	365,228	404,791	403,323	403,790
South Dade Landfill										
Garbage	67,425	70,124	73,866	82,227	84,965	91,133	88,716	93,347	104,841	112,004
Storm Related Tonnage				2,082	1,005	15,457	357			7,092
Trash	55,154	65,513	63,325	68,212	74,522	75,707	88,806	99,265	114,305	97,418
Clean Yard Trash	22,229	21,107	22,399	26,937	36,078	40,894	45,438	56,382	59,290	30,320
Total South Dade Landfill	144,808	156,744	159,590	179,458	196,570	223,191	223,317	248,994	278,436	246,834
North Dade Landfill										
Trash	86,757	38,019	51,758	65,577	54,308	43,407	65,703	72,414	77,540	52,398
Storm Related Tonnage				10,766	3,751	11,541	207		983	7,568
Clean Yard Trash	20,360	31,252	12,651	17,062	21,114	27,288	32,346	35,928	36,572	16,929
Total North Dade Landfill	107,117	69,271	64,409	93,405	79,173	82,236	98,256	108,342	115,095	76,895
Resource Recovery										
Garbage	4,425	8,825	19,716	55,798	60,960	58,692	53,455	43,694	44,433	47,483
Storm Related Tonnage				116	43	2,965	67		140	4,890
Trash	32,457	6,068	4,847	5,519	6,016	12,832	27,190	37,255	43,362	48,044
Clean Yard Trash	1,786								232	5,779
Total Resource Recovery	38,668	14,893	24,563	61,433	67,019	74,489	80,712	80,949	88,167	106,196
Medley Landfill										
Garbage			19							
Storm Related Tonnage						2,536				
Trash			104	1,090	1,088	1,333	1,157	620	744	386
Total Medley Landfill			123	1,090	1,088	3,869	1,157	620	744	386
SUMMARY										
Collections Disposal										
Garbage	307,830	319,941	331,542	345,258	363,136	382,100	393,618	416,418	439,649	452,736
Storm Related Tonnage					4,900	51,646	1,535		2,847	21,787
Trash	318,131	260,610	245,949	240,636	245,348	248,453	295,733	334,968	347,175	306,550
Clean Yard Trash	44,375	52,359	35,050	43,999	57,192	68,182	77,784	92,310	96,094	53,028
Total Collections Disposal	670,336	632,910	612,541	629,893	670,576	750,381	768,670	843,696	885,765	834,101
DISPOSAL FEE SUMMARY:										
GARBAGE DIVISION	\$20,379,466	\$16,641,153	\$17,109,665	\$17,404,511	\$18,304,790	\$19,692,082	\$21,234,346	\$23,331,593	\$22,445,338	\$25,946,874
TRASH DIVISION	\$21,376,891	\$15,588,172	\$13,874,309	\$13,829,497	\$15,039,927	\$15,734,090	\$19,041,895	\$22,293,426	\$25,532,622	\$20,381,568
Total Collections	\$41,756,357	\$32,229,325	\$30,983,974	\$31,234,008	\$33,344,717	\$35,426,172	\$40,276,241	\$45,625,019	\$47,977,960	\$46,328,442
Sweetwater Tonnage & Disposal Fee Summary										
Disposal Fee (Trash Division)	\$99,500	\$85,961	\$98,875	\$115,445	\$128,682	\$169,395	\$185,779	\$146,252	\$172,440	\$204,047
Total Disposal Fees paid by Collection	\$41,855,857	\$32,315,286	\$31,082,849	\$31,349,453	\$33,473,399	\$35,595,567 (1)	\$40,462,020	\$45,771,271	\$48,150,400	\$46,532,489

Note: 1993 fee: average \$55 per ton, 1994 and 1995 fee: \$59 per ton, 1996-1998 fee: \$45/\$59 per ton, 1999 fee: \$45.65/\$60 per ton, 2000 fee: \$46.35/\$61 per ton, 2001 fee: \$47.95/\$63.15 per ton, 2002 fee: \$49.30/\$64.95 per ton, 2003 fee: \$49.65/\$65.45 per ton.

(1) The eliminating entry between funds totaled approximately \$36.4million; it included certain other subobjects and excluded a minor part of the hurricane-disposal-cost-reclassification.

**DEPARTMENT OF SOLID WASTE MANAGEMENT
COLLECTION SYSTEM - CUSTOMER STATISTICS
TABLE V**

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
HOUSEHOLDS (5):										
Units as of October 1st	247,300	250,600	254,900	264,600	269,710	275,026	280,053	285,549	290,153	296,969
Units as of September 30th	250,600	254,900	264,600	269,710	275,026	280,053	285,549	290,153	296,969	302,313
Billed by Tax	246,443	249,712	254,174	263,169	273,459	278,749	284,053	289,178	295,733	301,007
Billed October 1st	900	840	740	782	850	787	645	343	736	522
Net Growth	4,800	3,400	6,200	5,072	5,316	5,027	5,496	4,604	6,816	5,344
Take-in- area (4)			3,600							
Average Annual Number of Units	<u>250,400</u>	<u>253,800</u>	<u>261,000</u>	<u>267,000</u>	<u>272,497</u>	<u>277,377</u>	<u>282,593</u>	<u>287,926</u>	<u>293,410</u>	<u>299,747</u>
HOUSEHOLD/COMMERCIAL (6):										
Units as of October 1 (1)	2,900	3,600	3,900	3,900	3,868	3,849	3,837	3,804	3,646	3,673
Billed by Tax	2,900	2,900	2,900	2,900	2,891	2,860	2,845	2,822	2,792	2,803
Billed During the Year	40	319	1,000	1,000	973	973	972	873	857	870
Average Annual Number of Units	<u>3,300</u>	<u>3,800</u>	<u>3,900</u>	<u>3,900</u>	<u>3,864</u>	<u>3,853</u>	<u>3,827</u>	<u>3,667</u>	<u>3,685</u>	<u>3,673</u>
CITY OF MIAMI HUD										
Households (5)	80	100	100	100	104	104	104	104	104	104
Household/commercial (6)	660	950	970	970	973	973	972	873	857	857
COMMERCIAL:										
Units as of October 1	1,400	1,500	1,300	1,300	1,225	1,145	1,076	1,004	960	896
Average Annual Units	1,240	1,360	1,280	1,240	1,168	1,090	1,021	977	916	880
Rollaway (Dumpsters)	30	30	30	30	28	29	28	28	29	29
RECYCLING:										
Outside Department Service Area-Household (2)	9,400	8,900	5,600	5,500	5,118	4,915	4,784	4,320	3,363	3,259
Participating Municipalities Households	19,800	23,000	23,000	23,000	23,056	23,056	23,056	23,056	23,104	23,137
LANDSCAPE PERMITS										
Permits	1,200	900	900	1,000	1,093	1,067	1,178	1,234	1,080	791
Trucks	1,800	1,000	1,100	1,200	1,362	1,424	1,561	1,611	1,431	1,046
Fee Per Unit (Collection's Service)										
Fee Including Recycling	\$399	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$399
Waste Collected by Department as % of Total Tipped (3)	52.73%	40.50%	39.20%	39.50%	40.55%	42.14%	45.67%	46.55%	47.63%	46.48%

(1) Change in method beginning fiscal year 1995 from number of waste units of living units billed.

(2) Reduction after fiscal 1996 due to expanded take-in areas.

(3) FY 1996 on total equivalent revenue tons used.

(4) Residential Units due to take-in area.

(5) Households include residential dumpsters and City of Miami HUD households.

(6) Household/Commercial include City of Miami HUD Commercial

**DEPARTMENT OF SOLID WASTE MANAGEMENT
REVENUE BY TYPE
TABLE VI**

TYPE	DESCRIPTION	FY 2002	FY 2003 (In thousands)	FY 2004
Collections Revenue	Received for curbside collection of garbage and trash. Customers as equivalent residential units at September 30, 2004, 2003 and 2002 were 302,313, 296,969 and 290,153, respectively. DSWM provides solid waste collection service to unincorporated Miami-Dade County residential units (single-family, townhomes, cluster homes , etc.). Additionally, DSWM provides waste collection services to the City of Sweetwater through a long-term interlocal agreement. In November 1995, the City of Aventura entered into an interlocal agreement authorizing the County to provide waste collection services on an interim basis. DSWM continues to provide these services to the City of Aventura although the original agreement is no longer in effect; however, the number of units served is minimal (approximately 200 units). DSWM serves the Village of Pinecrest, Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens and the City of Doral; all these pursuant to Ordinance 96-30.	\$ 100,599	\$ 104,785	\$ 123,224
Tipping Fees	The County charges tipping fees for use of its disposal facilities. Municipalities with long term interlocal agreements received disposal services at a disposal fee of \$50.65, \$49.65, and \$49.30 per ton during fiscal years 2004,2003 and 2002, respectively. These fees are subject to annual increases based on Consumer Price Index (CPI). There were 18 cities with interlocal agreements as of September 30, 2004. Private haulers with long term contracts for disposal also received the \$50.65 tipping fee per ton; at September 30, 2004, 17 private haulers were receiving the lower fee. County agencies also received the \$50.65 tipping fee. For waste delivered to one of the County's regional transfer stations the additional charge was \$10.05 per ton during fiscal year 2004. The non-contractual rate was \$66.80 per ton during fiscal year 2004.	51,951	52,722	53,066
Medley Surcharge	The Department receives a surcharge on each ton of waste disposed at the Medley Landfill by Waste Management, pursuant to the agreement approved by the Board of County Commissioners on July 21, 1998 .	1,031	513	715
Electrical Revenue	The Department receives electrical revenue from the sale of electricity produced at the Resources Recovery waste-to-energy facility.	16,383	19,195	16,593
Utility Service Fee	Revenues directed to the DSWM based on 3 1/2% out of the 7 1/2% surcharge on water and waste water bills countywide. By code limited to closure, postclosure care and other groundwater protection programs.	14,528	14,824	15,798
Disposal Facility Fee	Since fiscal year 1996, private haulers have been assessed a fee based on a percentage of their gross receipts from their customers located in unincorporated Miami-Dade County. The fee has been 15% in fiscal years 2002,2003 and 2004. The fee is used to ensure capacity in operations.	8,089	8,157	8,286
Other Operating Revenue	Includes office rental income, parking facilities revenue, code enforcement fines, permit fees, UMSA and other miscellaneous income.	3,973	3,946	4,290
Total		\$ 196,554	\$ 204,142	\$ 221,972

**DEPARTMENT OF SOLID WASTE MANAGEMENT
RESOURCES RECOVERY - ELECTRICAL REVENUES
TABLE VII**

	FY 1995	FY 1996	FY 1997 (1)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Electrical Revenue	<u>\$12,667,359</u>	<u>\$13,480,508</u>	<u>\$10,228,431</u>	<u>\$10,463,315</u>	<u>\$12,790,773</u>	<u>\$15,671,226 (2)</u>	<u>\$15,080,963</u>	<u>\$16,383,434</u>	<u>\$19,194,513</u>	<u>\$16,592,996</u>
Deducted Expenses:										
Electricity Costs	\$138,548	\$146,694	\$319,473	\$218,493	\$212,274	\$282,061	\$294,945	\$374,033	\$378,702	\$323,197
Other Related Costs	\$1,664,557	\$1,887,067	\$1,800,455	\$1,552,162	\$1,462,010 (4)	\$1,015,133 (3)(4)	\$1,369,932	\$1,459,016	\$1,452,834	\$1,434,003
Net Miami-Dade County Revenue	\$5,529,525	\$5,796,752	\$4,178,811	\$4,476,931	\$5,663,563	\$7,328,046	\$6,855,512	\$7,462,209	\$8,870,839	\$7,579,497
Net Montenay Power Corporate Revenue	\$5,334,729	\$5,649,995	\$3,710,980	\$4,166,814	\$5,452,926	\$7,045,986	\$6,560,574	\$7,088,176	\$8,492,137	\$7,256,299
KWH Produced	297,114,000	317,235,000	220,496,000	270,281,000	291,859,000	269,207,000	288,535,000	277,327,000	297,098,000	250,563,000

(1) Reflects the effects of a fire June 30, 1997 in the facility's fuel conveyors. The facility did not produce electricity until the end of August 1997.

(2) Includes a one time payment of \$2.15 million pursuant to a settlement agreement among FPC, the Operator and the County.

(3) Includes transmission charges adjustments totaling approximately \$765,000.

(4) FY 99-2000 figures herein have been revised to include FPC & Doral Station costs.

DEPARTMENT OF SOLID WASTE MANAGEMENT

HOME CHEMICAL COLLECTION PROGRAM

TABLE VIII

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
PARTICIPANTS										
Florida International University - North								115	92	98
Miami Dade Community College - North					44	40	87			
Miami Dade Community College - South				667	440	348	618	646	475	
South Dade Government Center										298
Biscayne Greyhound Track										
Homestead			324		109	115	130	94	42	73
Joe Robbie Stadium										
Permanent Center					474	769	1,005	1,538	1,656	1,738
Total Participants	<u>N/A</u>	<u>N/A</u>	<u>324</u>	<u>667</u>	<u>1,067</u>	<u>1,272</u>	<u>1,840</u>	<u>2,393</u>	<u>2,265</u>	<u>2,207</u>
POUNDS COLLECTED										
Florida International University - North								15,791	6,711	7,916
Miami Dade Community College - North					2,992	2,869	4,533			
Miami Dade Community College - South				64,201	29,877	27,959	29,844	99,418	21,941	
South Dade Government Center										13,484
Biscayne Greyhound Track										
Homestead			36,375		5,609	18,628	8,513	11,726	6,698	8,629
Joe Robbie Stadium										
Homestead										
Permanent Center **	<u>385,093</u>	<u>509,402</u>	<u>305,819</u>		<u>195,960</u>	<u>380,196</u>	<u>380,228</u>	<u>394,389</u>	<u>264,360</u>	<u>224,015</u>
Total Pounds Collected	<u>385,093</u>	<u>509,402</u>	<u>342,194</u>	<u>64,201</u>	<u>234,438</u>	<u>429,652</u>	<u>423,118</u>	<u>521,324</u>	<u>299,710</u>	<u>254,044</u>
TOTAL VENDOR DISPOSAL COST										
Florida International University - North								\$13,746	\$13,861	\$15,256
Miami Dade Community College - North					\$3,410	\$14,494	\$12,887			
Miami Dade Community College - South				\$50,731	\$34,060	\$36,391	\$35,789	\$36,399	\$25,881	
South Dade Government Center										\$18,599
Biscayne Greyhound Track										
Homestead			\$45,219		\$11,323	\$19,846	\$15,067	\$14,851	\$12,425	\$11,567
Joe Robbie Stadium										
Permanent Center	<u>\$26,976</u>	<u>\$55,009</u>	<u>\$51,288</u>		<u>\$76,436</u>	<u>\$98,923</u>	<u>\$216,912</u>	<u>\$133,050</u>	<u>\$129,824</u>	<u>\$170,039</u>
Total Cost	<u>\$26,976</u>	<u>\$55,009</u>	<u>\$96,507</u>	<u>\$50,731</u>	<u>\$125,229</u>	<u>\$169,654</u>	<u>\$280,655</u>	<u>\$198,046</u>	<u>\$181,991</u>	<u>\$215,461</u>
Average Cost Per Pound	\$ 0.07	\$ 0.11	\$ 0.28	\$ 0.79	\$ 0.53	\$ 0.39	\$ 0.66	\$ 0.38	\$ 0.61	\$ 0.85
Average Cost Per Participant	N/A	N/A	N/A	\$76	\$117	\$133	\$153	\$83	\$80	\$98

Area specific programs were discontinued in fiscal year 1995 in favor of a permanent drop-off site.

** Includes used oil dropped off at T & R Centers

(1) Figures reported in 1998 have been revised herein.

(2) Reinstated mobile events for unincorporated areas in 1999.

(3) Permanent Center includes used oil collection.

(4) Conversion for used oil is 8 pounds per gallon.

(5) Florida International Univ. (North Campus) selected as new "North" site in FY2002.

(6) This table excludes figures for latex paint and e-waste.

(7) Heavy rains all day during Spring Event (FIU & MDCC South).

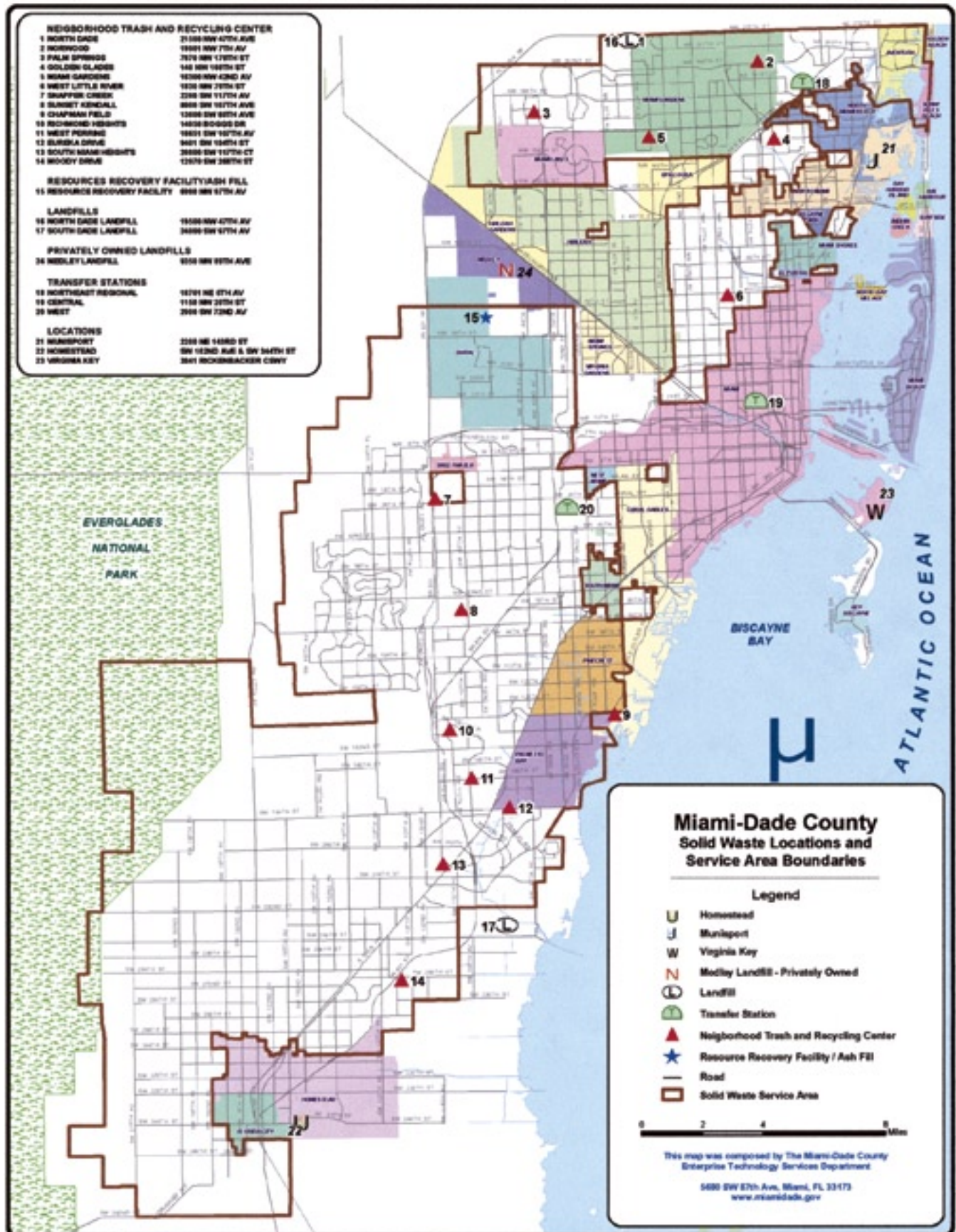
**DEPARTMENT OF SOLID WASTE MANAGEMENT
POPULATION - DADE COUNTY, FLORIDA
SELECTED YEARS 1900 - 2004**

TABLE IX

<u>YEAR</u>	<u>RESIDENT POPULATION</u>	<u>INCREASE (DECREASE)</u>	<u>ANNUAL PERCENT CHANGE</u>
1900	4,995	-	-
1910	11,933	6,938	13.9%
1920	42,752	30,819	25.8%
1930	142,955	100,203	23.4%
1940	267,739	124,784	8.7%
1950	495,084	227,345	8.5%
1960	935,047	439,963	8.9%
1970	1,267,792	332,745	3.6%
1980	1,625,781	357,989	2.8%
1990	1,967,000	341,219	2.1%
1991	2,001,032	34,032	1.7%
1992	2,022,862	21,830	1.1%
1993	1,995,292	(27,570)	-1.4%
1994	2,037,315	42,023	2.1%
1995	2,084,205	46,890	2.3%
1996	2,124,885	40,680	2.0%
1997	2,157,208	32,323	1.5%
1998	2,189,719	32,511	1.5%
1999	2,221,630	31,911	1.5%
2000	2,253,485	31,855	1.4%
2001	2,283,319	29,834	1.3%
2002	2,313,047	29,728	1.3%
2003	2,342,739	29,692	1.3%
2004	2,372,418	29,679	1.3%

Source: U.S. Bureau of the Census figures 1900-2000; Miami-Dade County Department of Planning and Zoning, Research Section 2001-2004.

TABLE X



**DEPARTMENT OF SOLID WASTE MANAGEMENT
INSURANCE IN FORCE
TABLE XI**

<u>Type of Coverage and Insurance Company</u>	<u>Policy Number/ Policy Period</u>	<u>Details of Coverage</u>	<u>Limit of Liability</u>
Public Employees Blanket Bond:			
Fidelity & Deposit Co. of Maryland	CCP001342109 08/19/04-8/19/05	Employees Dishonesty	\$1,000,000 blanket bond \$ 50,000 deductible
Accidental Death: Hartford Life Insurance Company	ETB-105355 8/29/2004-2005	Accidental Death and Dismemberment	\$ 25,000
Property Insurance: Various companies	5/03/04-5/03/05	Real & Personal Property	various
Automobile Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S. 768.28
General Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation	N/A	Self-insured fund	Statutory coverage F.S. 440

DEPARTMENT OF SOLID WASTE MANAGEMENT
SCHEDULE OF DEBT SERVICE COVERAGE
LAST TEN YEARS
(In thousands)
TABLE XII

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
FIRST TIER TEST										
Adjusted net operating revenues (1)/(1a)	\$35,853	(\$26,092)	\$41,277	\$44,519	\$38,205	\$35,417	\$38,008	\$23,555	\$26,054	\$32,869
Debt service requirements (1b)	\$24,575	\$24,814	\$15,260	\$11,207	\$15,919	\$15,932	\$17,140	\$17,987	\$18,018	\$18,026
Actual Coverage (4)	1.45	N/A	2.70	3.65	2.40	2.22	2.22	1.31	1.45	1.82
Required coverage	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
SECOND TIER TEST										
Adjusted net revenues	\$35,853	(\$26,092)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
County pledged revenue (2)	\$14,731	\$16,307	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Guaranteed Entitlement (3)	\$3,920	\$4,016								
Total Revenues	\$54,504	(\$5,769)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Debt service requirements (5)	\$24,575	\$24,818	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Actual coverage (4)	2.22	-	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Required coverage	1.33	1.33	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Adjusted net operating revenues include: Operating revenues plus intergovernmental revenue used in the calculation of debt service coverage, less operating expenses (prior to depreciation and expense for assumption of liability of closure and postclosure care costs for inactive landfills) plus certain interest income defined as revenues by debt instruments. UMSA funds were included through fiscal year 1995 and resumed in fiscal year 1999. Gross contributions reflected in fiscal years 2002 and 2001 Statements of Revenues and Expenses in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions (see footnote 6 to the financial statements), have been excluded from this calculation. Fiscal year 2001 operating expenses (before depreciation and closure & postclosure care costs for inactive landfills) include an amortization credit of \$8.1million in closure & postclosure care costs for active landfills (see footnote 10 to the financial statements).

(1a) Fiscal year 2003 adjusted net operating revenues figure herein includes \$4.7M from rate stabilization (representing 20% of adjusted NOR FY2002 reported above which includes \$7.6 M from rate stabilization).

Fiscal year 2002 adjusted net operating revenues figure herein includes \$7.6M from rate stabilization (representing 20% of adjusted NOR FY2001 reported above).

(1b) Figures for debt service requirements are reflected on an accrual basis herein while the figures on the footnotes to the financial statements represent future requirements on a cash/maturity basis.

(2) Pledged revenues include occupational licenses fees, beverages licenses fees, licenses plate fees, and auto title fees. These revenues are pledged by Miami-Dade County.

(3) Represents the County's additional pledge of 10% of the available Guaranteed Entitlement funds.

(4) The Department did not achieve coverage requirements for fiscal year 1996, due to recording of expenses related to future closure and postclosure care costs for inactive landfill responsibilities assumed by the Department in 1996. In January 1997, all debt constituting "Debt Service Requirements" above was refunded (see footnote 4 to the financial statements). If the fiscal year 2001 amortization credit of \$8.1million in closure & postclosure care costs for active landfills was excluded from the calculation herein (see footnote (1) above), debt service coverage would change from 2.22 to 1.74.

(5) During fiscal year 1997 the Department refunded all senior lien direct obligation debt. New coverage requirements on the refunding bonds has only one coverage test of 1.2 times the current year's annual debt service requirement.

**DEPARTMENT OF SOLID WASTE MANAGEMENT
SCHEDULE OF MAJOR CONTRACTS AND AGREEMENTS - OPERATING
TABLE XIII**

	Fees/ Rates Effective October 1,			Expenses Recorded (In millions)		
	2002	2003	2004	FY 2002	FY 2003	FY 2004
Agreement for the management and operation of the County-owned Resources Recovery Facility:						
<p>* Pursuant to the amendment adopted by the Board of County Commissioners on August 2, 2004, the contract with the Operator has been extended through 2023, with four five year options to renew. Prior to the amendment, the contract was due to expire in 2013.</p> <p>* The County guarantees up to 1,206,000 tons annually, if available: On-site waste: 936,000 tons (a) RTI: 270,000 tons (a) Depending on the amount of garbage & trash available to the County.</p> <p>* As part of the amendment, beginning in fiscal year 2005, the Operator may request additional (1) on-site waste (25,000 tons per year increasing gradually to 100,000 tons maximum in fiscal year 2010).</p>						
* Tipping Fees (main categories) /rates per ton:						
On-site waste up to 702,000 tons.	\$30.30	\$30.95	\$31.95			
On-site waste in excess of 702,000 (702,001 tons - 936,000 tons)	\$24.56	\$25.09	\$25.90			
On-site waste in excess of 936,000, (936,001 tons - 1,036,000 tons)	-	-	\$16.80 (1)			
Scrubbers	\$6.50	\$7.52	\$7.76			
RTI	\$26.05	\$26.60	\$27.46			
Fee increases limited to CPI, change-in-law and contract-renegotiation.						
* Expenses recorded for Capital Tipping Fees and Oper. & Management Tipping Fees				\$51.2	\$51.6	\$53.8
Agreement with Waste Management Inc. of Florida for waste delivery to the Waste Management Landfill located in Medley, Florida:						
<p>* Twenty year term contract which ends in 2015, with 2 additional 5-year renewal options.</p> <p>* The County to deliver between 100,000 and 120,000 tons per year.</p> <p>* Guaranteed capacity to the County up to 500,000 per tons per year (including alternate landfill).</p>						
* Fees/rates per ton billed to the County:						
First 100,000 tons delivered.	\$26.70	\$27.27	\$28.15			
First 20,000 tons delivered in excess of 100,000.	\$21.80	\$22.26	\$22.98			
First 20,000 tons delivered in excess of 120,000.	\$20.71	\$21.15	\$21.83			
Fee increases limited to CPI and change-in-law.						
* County receives surcharge for all non-DSWM waste delivered to Medley.						
* Expenses recorded				\$3.1	\$3.7	\$3.4
Agreement with Wheelabrator South Broward, Inc. for waste delivery to the South Broward Waste to Energy Facility:						
<p>* Annual contract (approved in December 1995), with 9 renewal options, 6 sole-options for Wheelabrator and 3 mutual-options. (2) During fiscal year 2003, the Department exercised its option not to renew the contract.</p>						
* The County to deliver upon request up to 100,000 tons per year.						
* Fees/rates per ton billed to the County, changes if any are effective every January 1st. Fee increases limited to CPI (capped at 5% per year) and change-in-law.	\$28.79	(2)	(2)			
* Expenses recorded				\$1.5	\$0.2	(2)
Agreement with Browning-Ferris Industries d/b/a Community Recycling for curbside recycling:						
<p>* Contract as amended on 10/95 ends in 2006.</p>						
* Fees/rates per ton billed to the County. Fee increases limited to CPI	\$2.52	\$2.57	\$2.65			
* Expenses recorded				\$9.5	\$9.7	\$9.5

**DEPARTMENT OF SOLID WASTE MANAGEMENT
SCHEDULE OF MAJOR DISPOSAL DELIVERY AGREEMENTS
TABLE XIV**

	Fees/ Rates Effective October 1,		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Interlocal (long-term disposal delivery) agreements with 18 municipalities in the County:			
* 20-year term contracts, which end in 2015 (except West Miami, Homestead and North Miami).			
* The County guarantees to meet level-of-service standard for disposal capacity (concurrency).			
* Municipalities agree to deliver all tonnage collected and to direct contracted/franchise haulers.			
* Tipping Fees/rates per ton:	\$49.65	\$50.65	\$52.25
Transfer Fees/rates per ton:	\$9.85	\$10.05	\$10.35
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Browning-Ferris Industries (BFI):			
* Pursuant to amendment adopted by the Board of County Commissioners on July 26, 2001, the contract term is through 2015, with two 5-year mutual options to renew. Prior to the amendment, 20-year term contract to 2015, with 10-year termination provision in 2005.			
* In consideration for the term extension, 220,000 tons per year delivery requirement (plus additional 10,000 tons per year for 5 consecutive years, beginning October 1, 2001). Prior to the amendment, 300,000 tons per year delivery requirement or all tons collected.			
* Hauler will deliver at least 75,000 tons of its commitment to County transfer stations at additional transfer fee per ton. Prior to the amendment this requirement was for 100,000 tons.			
* Tipping Fees/rates per ton:	\$49.65	\$50.65	\$52.25
Transfer Fees/rates per ton:	\$9.85	\$10.05	\$10.35
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Waste Management:			
* 20-year term contract to 2015, with two 5-year mutual options to renew.			
* 91,000 tons per year delivery requirement or all tons collected. (88,400 tons if County delivers less than 120,000 tons annually to Medley Landfill (see Table 13 in this report)).			
* Tipping Fees/rates per ton:	\$49.65	\$50.65	\$52.25
Transfer Fees/rates per ton:	\$9.85	\$10.05	\$10.35
Fee increases limited by CPI and change-in-law.			

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